

Who Governs the Governed?

AI, ISO 42001 & The Missing Inside-Out



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8 October 2026, GFT “The Future of AI in Financial Services”, Level 39, Canary Wharf, London

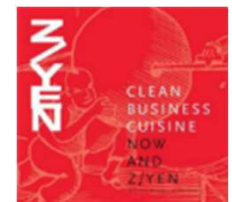
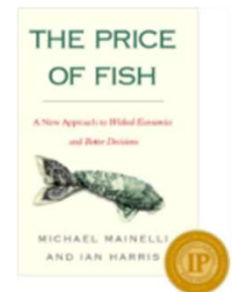


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City of London's leading commercial think-tank that spots, solves, and acts

Zen & Yen – “a philosophical desire to succeed” – a risk/reward ratio recognising that all decisions are trade-offs

- Services – projects, strategy, expertise on demand, coaching, research, analytics, modern systems
- Sectors – technology, finance, government, voluntary, professional services, outsourcing
- Research – scientific, economic, information technology, finance
- Commercial centre development - Global Financial Centres, Smart Centres, and Global Green Finance indices



Agenda

- What's AI anyway?
- What might be ethical AI?
- Regulation – top-down, outside-in
ISO 42001 & EN 18286
- Conscience – bottom-up, inside-out
- Recommendations



"Get a detailed grip on the big picture."
Chao Kli Ning

What's AI Anyway?

‘AI system’ means a machine-based system that is designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment, and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments;

‘artificial intelligence system’ (AI system) means software that is developed with one or more of the techniques and approaches listed in Annex I and can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with;

ANNEX I ARTIFICIAL INTELLIGENCE TECHNIQUES AND APPROACHES

referred to in Article 3, point 1

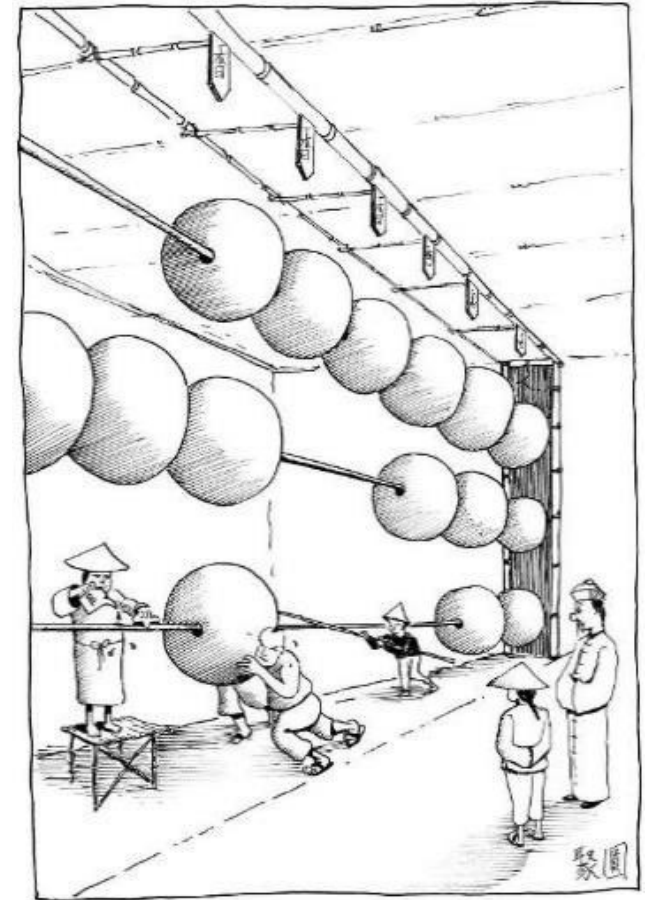
- (a) Machine learning approaches, including supervised, unsupervised and reinforcement learning, using a wide variety of methods including deep learning;
- (b) Logic- and knowledge-based approaches, including knowledge representation, inductive (logic) programming, knowledge bases, inference and deductive engines, (symbolic) reasoning and expert systems;
- (c) Statistical approaches, Bayesian estimation, search and optimization methods.

Look DAPR

“An LLM is designed to produce text that reflects patterns found in its vast training data”

The Economist, “The Ghost In The AI Machine”, 24 June 2023, page 79.

- Dynamic
 - Initiates an action
 - Real-time
- Anomaly & Pattern
 - Identifies unusual behaviour
 - Reinforces successful patterns
- Response
 - Adaptive, moves with the data
 - Integrative, can work without rebuilding the entire IT architecture



“Get a big picture grip on the details.”
Chao Kli Ning

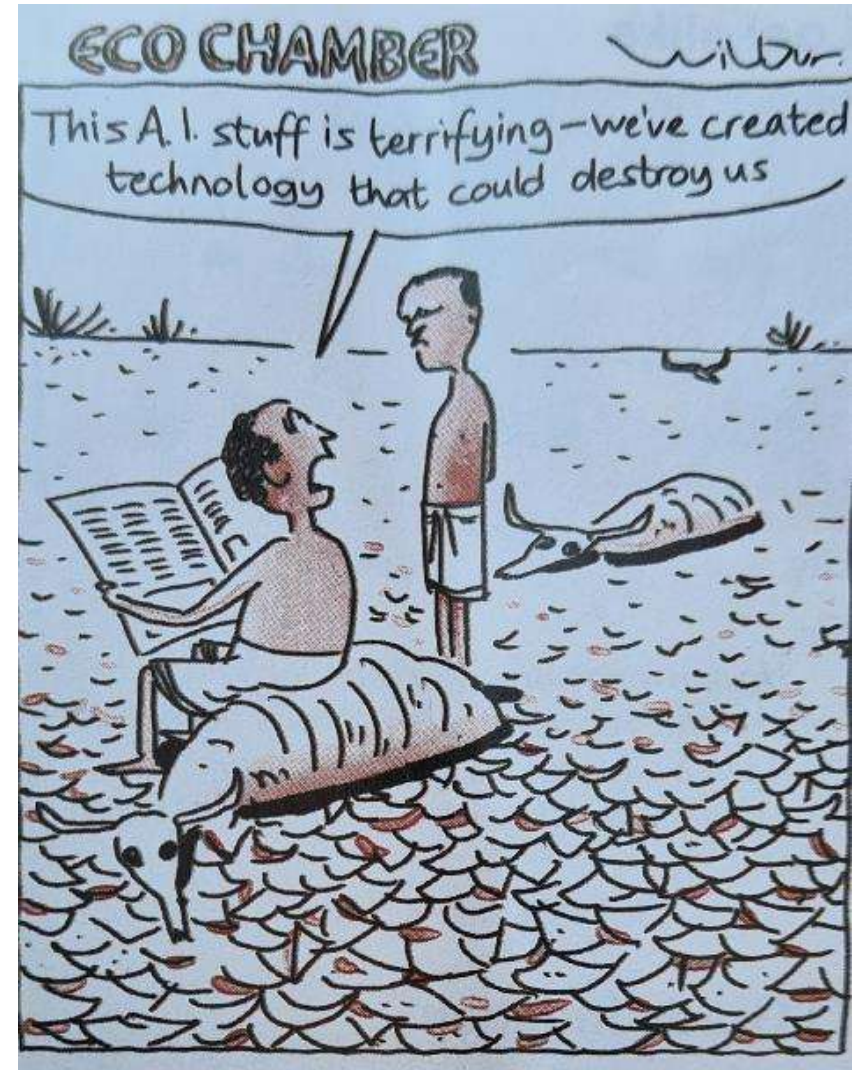
☺ It's No Laughing Matter ☺

Problems, such as “eating the market”

- AI's potential impact on society
- Importance of ethical considerations
- Data privacy concerns
- Need for transparency, accountability, and inclusivity
- Concerns about bias, transparency, accountability, and safety

Goals, such as “continued existence”

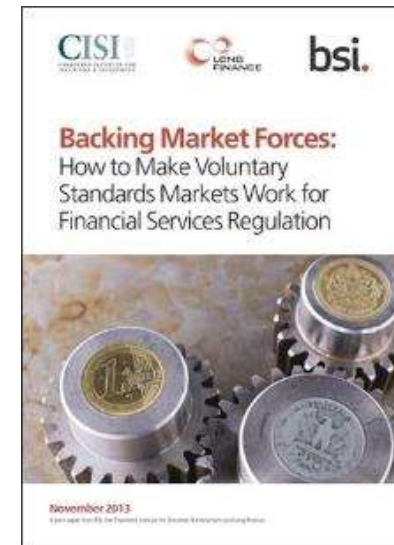
- Ensuring AI benefits society, minimizes harm
- Establishing ethical guidelines and principles
- Encouraging transparency and accountability
- Promoting collaboration and dialogue among stakeholders



Regulation – Top-Down, Outside-In

Ensorcled East versus Community Enforced Standards Markets versus Wild West

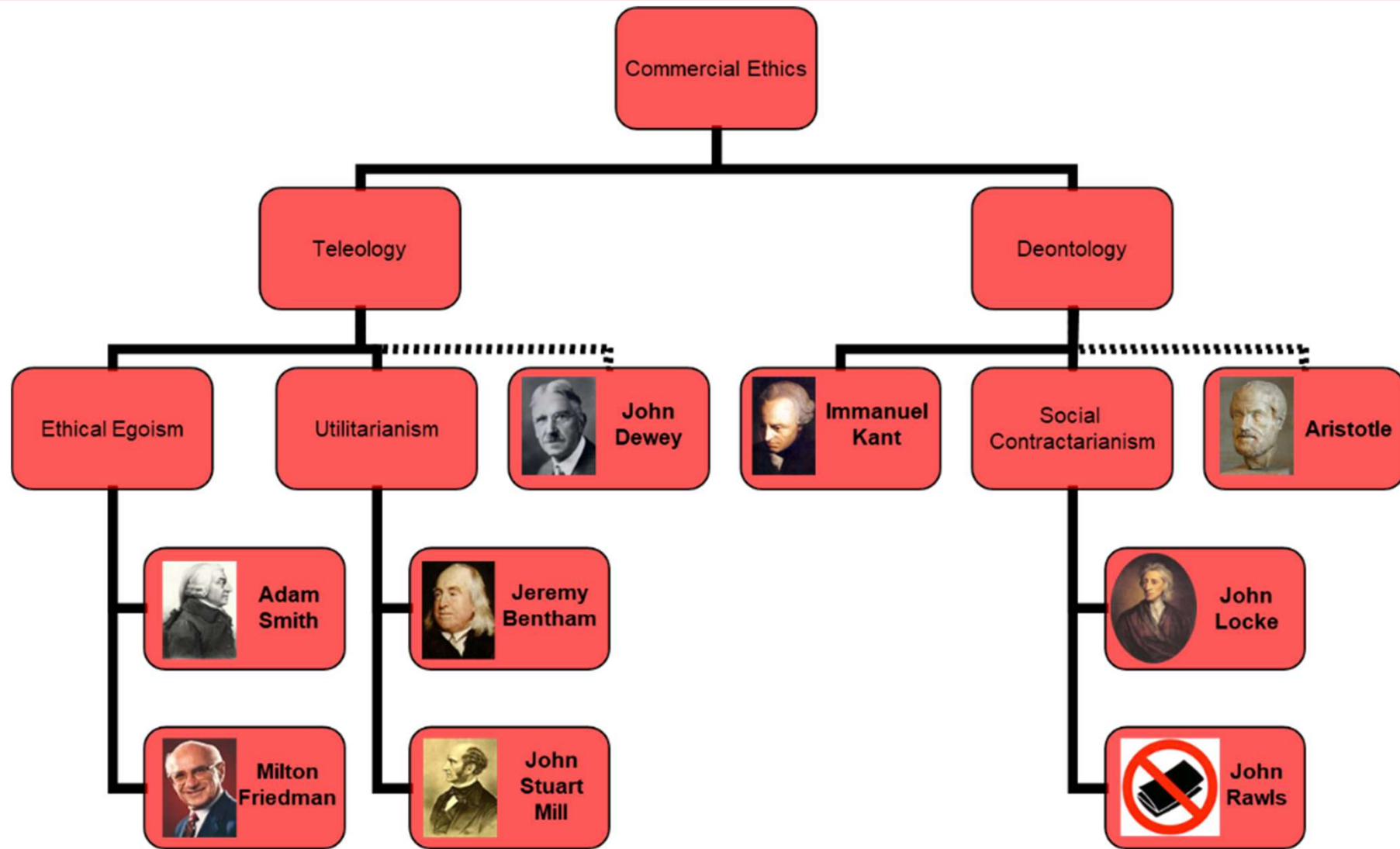
1. Human-centric Approach: The EU AI law emphasizes the importance of ensuring that artificial intelligence (AI) systems are developed and used in a way that respects human rights, ethical values, and fundamental principles.
2. Risk-Based Approach: The law categorizes AI systems into different risk levels based on the potential harm they can cause.
3. Prohibition of Unacceptable Practices: The law prohibits certain AI practices that are considered unacceptable due to their potential to infringe on fundamental rights and freedoms. This includes AI systems that manipulate human behavior, create social scoring systems, and exploit vulnerabilities of specific groups.
4. Transparency and Explainability: The EU AI law emphasizes the importance of transparency and explainability in AI systems. It requires that users are provided with clear and understandable information about the capabilities and limitations of AI systems. High-risk AI systems must also provide explanations for their outcomes to ensure accountability and mitigate biases.
5. Data Governance and Quality: The law promotes responsible data governance by requiring that AI systems are trained on high-quality and unbiased data.
6. Accountability and Oversight: The EU AI law places responsibilities on developers, providers, and users of AI systems. It mandates that high-risk AI systems undergo conformity assessment procedures and be subject to oversight by competent authorities.



Bureaucracy or AI?



What's Ethical AI - Commercial Ethics In A Nutshell



Principlism

Autonomy

Respect for persons. Humans are a means unto themselves and not a means to an end. This encompasses the right to be free to make choices about your body.

Beneficence

Obligation to contribute to person's welfare. Interventions and provisions should provide benefit directly to the patient. This focuses on doing things that are of benefit to another. It requires positive steps to help, and not merely avoiding doing harm.

Nonmaleficence

Obligation not to inflict harm on other persons. Harm is to be avoided or minimized. Underlying tenet of medical professional mission statements (Hippocratic oath).

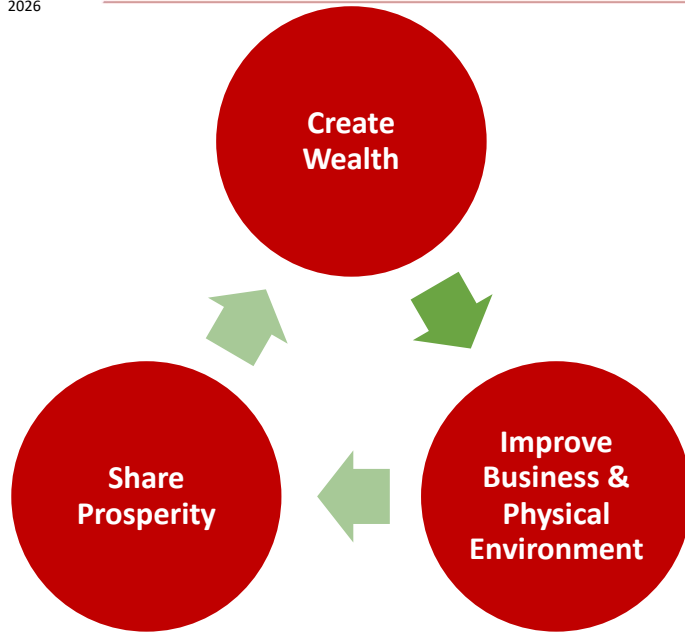
Justice

For health care, this is the distribution of health (and health care) in a fair and equitable manner. This requires attention to prioritization and rationing. There is no one just way to allocate resources, and most systems utilize several prioritization schemes in concert to attempt to achieve a just distribution.



**"Get a detailed grip on the big picture."
Chao Kli Ning**

Fourteen Centuries Of Strategy Lessons For A Mayor



- Defence & security
- Rule of Law
- Open trade
- Access to skills & talent

695th Lord Mayor's Ethical AI Initiative 2023-2024

- 2024 Walbrook Accord led to AI Quality Infrastructure promoting ISO 42001 and EN 18286:
 - On 3 September 2025, the UK Department for Science, Innovation & Technology published its “[Trusted Third Party AI Assurance Roadmap](#)” bringing the UK into the ISO 42001 and AI QI fold
 - 7,000 people taken AI QI course
- Coffee House Consensus agreed by US\$33tn ICRAI within the US\$77tn International Corporate Governance Network
- Widely franchised 12 hour course on Ethical AI – teaching Principlism and ISO 42001 - available via Chartered Institute for Securities & Investment, British Computer Society, Institute & Faculty of Actuaries, ACCA, Royal Institution of Chartered Surveyors, and the Law Society. Courses taken now by well over 50,000 people.



The AIQI Consortium

Supporting global quality infrastructure bodies in ensuring the safe, secure and ethical development of AI technologies.

The AIQI Consortium aims to promote open dialogue and collaboration, supporting global quality infrastructure bodies in ensuring the safe, secure, and ethical development of AI technologies.

The AIQI Consortium embodies a shared understanding of the challenges and opportunities posed by AI, highlighting the importance of a collaborative approach of quality infrastructure that leverages consensus-based standards, certified third-party testing and certification and appropriate accreditation.

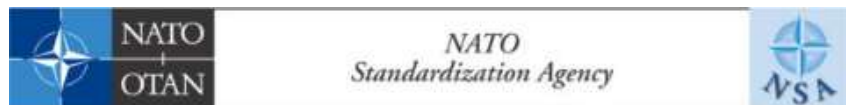
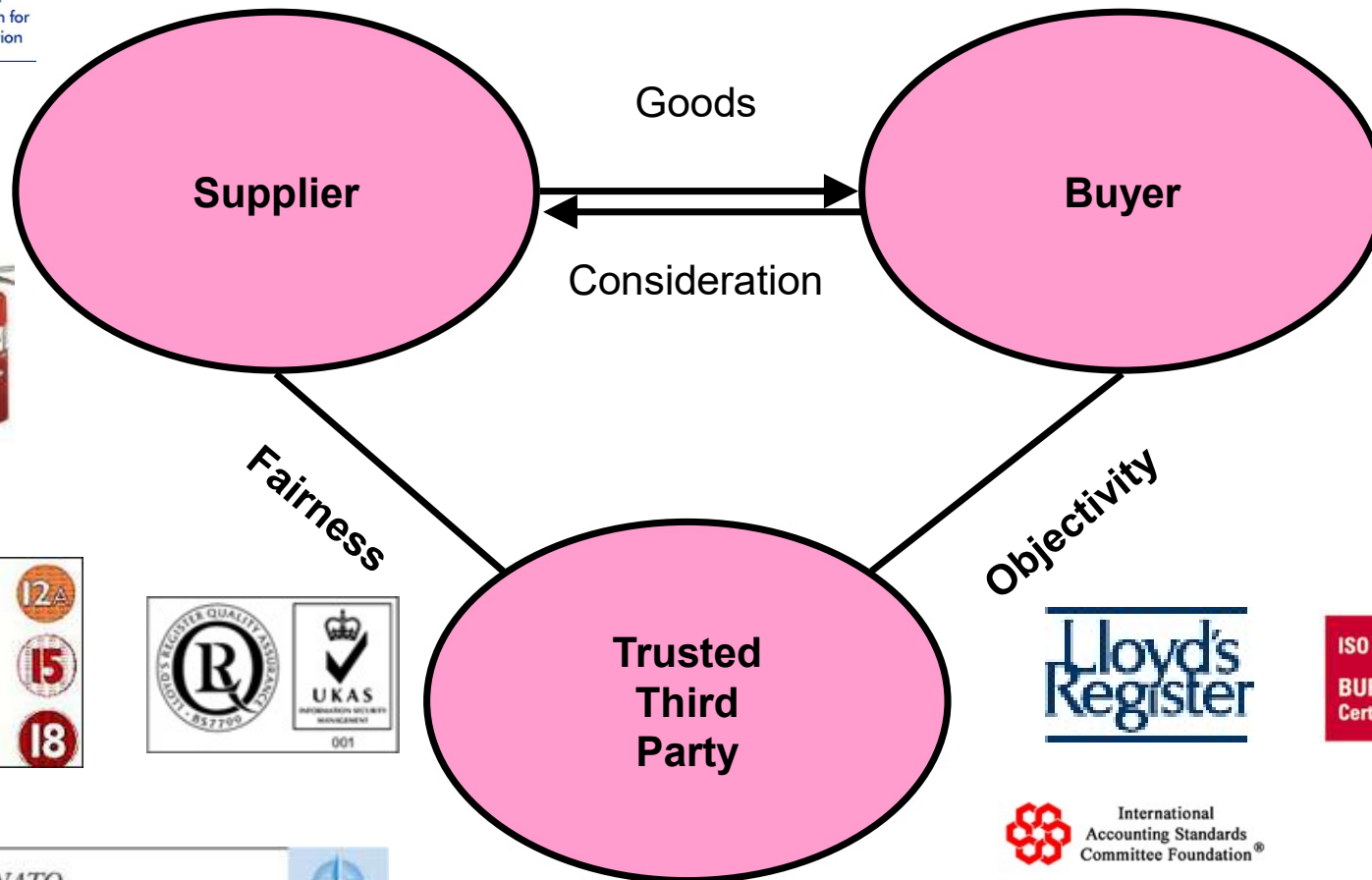


Stability AI: “steampunk ‘Lord Mayor’ of the ‘City of London’ standing in front of Tower Bridge wearing purple goggles with his battle puffin

Regulatory Pits & Tightropes



Standards Markets – The Third Way - Trusted Third Parties



Conscience – Bottom-up, Inside-out



Governance Pipeline

 **ORDINARY WISDOM**
Your Rules. Your AI. BETA

WORKBENCH EVALUATION HISTORY PORTFOLIOS ▾ CONSTITUTIONS ▾ TESTS ▾  Maury

Workbench

← Back to legacy workbench

Choose parameters for your AI controls, then test the output.

MODEL

Claude 4.5 Haiku (Anthro... ✕

PORTFOLIO ⓘ

Accounting Principles ✕

CONSTITUTION ⓘ

FS Product Develop... ✕

SCORE

☐

COMPARE

☐



TEST:

My Tests... ▾

Public Tests... ▾

Enter a prompt or select a test above...

Ethics Advisor

Review 34



Describe the situation.

In your own words. Please do not include names of people, firms, clients or account numbers.

e.g. A client I've known for years sent a case of wine to my home after a hard year. Our gifts policy doesn't allow it, and I'm not sure he knows that...

0 / 20,000 characters

Answer path

OWL drafting service, reviewed by Pangura · default ▾

Answer model

Claude 4.6 Sonnet (Anthropic) · default ▾



Four Approaches:

1. Feed-forward model control

Human wisdom: Portfolios of documents (FCA Consumer Duty, company policies, Stoics)

Customized constitutions: Persona, values, prohibitions, style

Customized RAG: Meta-prompting, chunking, and contextual retrieval

2. Evaluation and comparison

Against customized values, benchmarks and standards

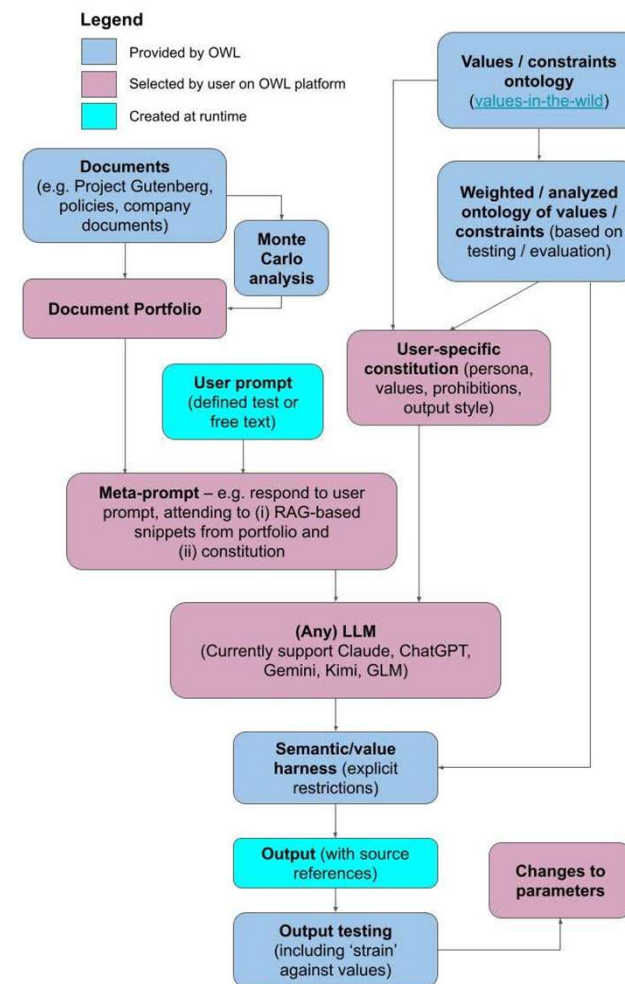
3. Model output control

Source references: Traceable citation and attribution

Output modification: Real-time output alignment and filtering

4. Universal API

Seamless integration into any application



Governance Pipelines

	Model-Independent	Technical Alignment Pipeline
Ordinary Wisdom	Yes	Yes
Model providers (e.g. OpenAI, Anthropic, Google, Meta, Chinese)	No	Yes, but not formalized or standardized
AI compliance companies (e.g. Confident, Holistic, Credo)	Yes	Limited
Responsible AI companies (e.g. Thinking Machines Lab, Safe Superintelligence)	No	Uncertain, some are building LLM alternatives
AI implementers (e.g. Scale AI, Faculty)	Uncertain	Uncertain, ad hoc

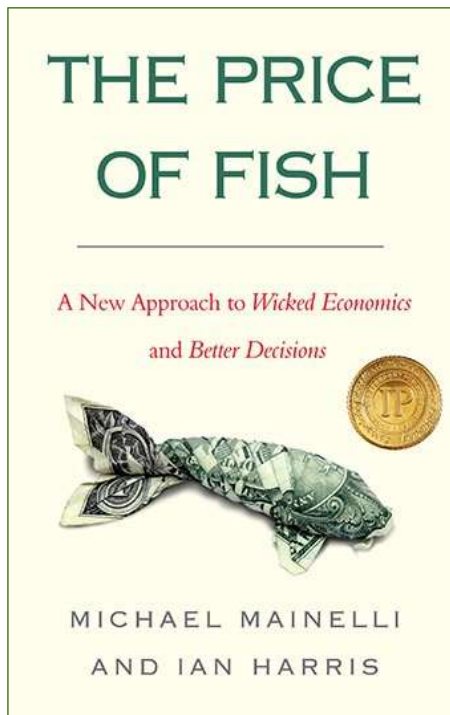
Recommendations



“Get a big picture grip on the details.”
Chao Kli Ning

- Get with the rules – top-down, outside-in
 - ❑ ISO/IEC 42001:2023 standard specifies requirements for establishing, implementing, maintaining, and continually improving an Artificial Intelligence Management System
 - ❑ EN 18286:2026 harmonized European standard specifies requirements for an artificial intelligence quality management system (QMS) under Article 17 of the EU AI Act
- Have a governance pipeline
- Install a conscience – bottom-up, inside-out

When Would We Know Our Commerce Is Working?



Thank you!

***“If you have trust, I shall give you trust;
If you have no trust, I shall take it away.”***



Comments, Questions & Answers(?)

