

P1. Artificial Intelligence and Fintech in Asia: Regulatory Design, Accountability and Fiduciary Duties

23 rd ASLI Conference 2026		
Panel Category	:	Financial Regulation
Panel Title	:	Artificial Intelligence and Fintech in Asia: Regulatory Design, Accountability and Fiduciary Duties
Panel Abstract	:	
<p>As financial technology (FinTech) rapidly evolves, the integration of artificial intelligence (AI) and machine learning (ML) has fundamentally challenged established legal norms, demanding profound shifts in regulatory design across Asia. This panel begins with a critical analysis of compliance by design (CbD) i.e. the integration of compliance requirements directly into the design stage of technological system, which has been growing steadily in prominence as a regulatory norm. Drawing on examples from extant legislation (e.g., the EU AI Act) as well as regulatory initiatives (e.g., Project Mandala), this paper critically examines whether CbD serves as a panacea or a placebo. Where CbD is leveraged as a solution, its practical implementation faces significant hurdles, including misalignment of incentives, difficulties in translating nuanced regulatory requirements into precise technical design specifications, and rule of law issues associated with enforcing amorphous CbD standards. The panel then explores how algorithmic governance architectures erode traditional legal foundations, necessitating new frameworks for accountability. In China’s financial sector, the complexity, unpredictability, and dynamic nature of AI/ML deployed on major FinTech platforms fundamentally undermine the foundational concept of informed consent, reducing it to a legalistic facade for pervasive data extraction. In response, Chinese regulators are shifting toward a post-consent framework centred on algorithmic accountability, prioritizing systemic risk control through direct reviews of algorithmic logic. A similar challenge exists regarding fiduciary duties, which traditionally rely on human judgment and ethical reasoning. In jurisdictions like Malaysia and Singapore, this dilemma has prompted the introduction of Algorithmic Fiduciary Governance (AFG). AFG is proposed as a framework that redefines fiduciary responsibility by integrating essential AI governance principles, such as reviewability, explainability, and human oversight, to anchor accountability within automated governance systems. Focusing specifically on the challenges posed by massive AI disruption in Thai capital markets, the fourth paper examines the optimal regulatory standards needed to encourage innovation while protecting investors. This analysis proposes that regulators should adopt a principle-based approach that emphasizes the quality of AI disclosure and argues for the imposition of fiduciary duties on securities intermediaries using these technologies. These intermediaries must demonstrate knowledge and expertise, establish robust governance, and act in the best interest of investors. Collectively, these papers analyse converging regional efforts to embed transparency and risk-based oversight, exploring the resulting profound implications for consumer protection, financial innovation, and the overarching evolution of the regulatory state in Asia today.</p>		

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Name of Convenor	:	Petrina Tan Tjin Yi
Name of Panellist	:	Sarah Dania Binti Mohd Kahar
Title of Paper		
Algorithmic Fiduciary Governance in Fintech and Corporate Law: Reconceptualising Accountability in Malaysia and Singapore		
Abstract		
<p>The accelerating integration of artificial intelligence (AI) into corporate governance and Financial Technology (FinTech) has transformed decision-making processes in investment management, credit assessment and board oversight. While these technologies enhance efficiency and predictive capacity, they simultaneously challenge the foundational premise of fiduciary accountability which traditionally depends on human judgment, ethical reasoning and personal accountability. Across Asia, jurisdictions such as Malaysia and Singapore have yet to fully reconcile the rise of algorithmic decision systems with the fiduciary obligations of care, skill, diligence and loyalty enshrined in corporate and financial law.</p> <p>This paper addresses a critical legal dilemma on how fiduciary and regulatory duties can continue to retain their authority, relevance and enforceability when core aspects of decision-making are increasingly delegated to complex and algorithmic systems within the FinTech sector. To bridge this gap, this paper introduces the concept of Algorithmic Fiduciary Governance (AFG), a framework that redefines fiduciary responsibility through the integration of AI governance principles, including reviewability, explainability and human oversight. Drawing from the EU AI Act (2024/1689) as a transactional benchmark, this paper adopts a comparative and doctrinal methodology to examine the companies legislation of Malaysia and Singapore as well as the general and sector-specific guidelines on responsible AI usage. The analysis reveals converging regional movements toward embedding transparency and risk-based oversight but also significant fragmentation in fiduciary adaptation. AFG reconceptualises fiduciary duties as algorithmically reviewable obligations anchoring accountability even within automated governance architectures. By aligning corporate law, FinTech regulations and AI ethics, AFG offers a coherent model for trustworthy, human-centred and regionally harmonised governance.</p>		
Brief Biography of Convenor and Panellist		
Panel Convenor: Dr Petrina Tan Tjin Yi, University of Malaya		
<p>Dr Petrina Tan Tjin Yi is a Senior Lecturer and Coordinator of the Bachelor of Jurisprudence programme at the Faculty of Law, Universiti Malaya (UM). She teaches the undergraduate company law course, postgraduate advanced company law course, and is the coordinator for the moot course. She holds a PhD and an LL.M (Corporate & Financial Services Law) from the National University of Singapore (NUS) as well as an LL. B (Hons)(Distinction), equivalent to a First-Class Honours degree, from UM. Her prior research on faith-based investing and institutional investor stewardship has been published as journal articles in the Erasmus Law Review, Asian Journal of Comparative Law and the Journal of Malaysian and Comparative Law as well as a book chapter in the edited volume 'Global Shareholder Stewardship' published by Cambridge University Press. She has presented at various international and regional conferences. Her research interests include capital market law and policy, company law and corporate governance and regulatory theory more generally. She was previously a corporate lawyer, federal counsel at the Malaysian Attorney General's Chambers, senior manager at Bursa Malaysia, Adjunct Research Fellow at the NUS Centre for Banking & Finance Law and Postdoctoral Fellow at the EW Barker Centre for Law & Business, NUS. She was also a sessional tutor at the School of Business, Monash University Malaysia, where she taught Malaysian company law.</p>		

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Panellist: Ms Sarah Dania Binti Mohd Kahar, University of Malaya

Sarah Dania Binti Mohd Kahar is a Yang Di-Pertua Agong (BYDPA) Scholar and a Doctoral Researcher at the Faculty of Law, Universiti Malaya where she is co-supervised by Dr. Petrina Tan Tjin Yi and Associate Professor Dr. Sujata Balan. She specializes in the intersection of fiduciary law, corporate governance and artificial intelligence (AI). Her doctoral research critically investigates the fiduciary dilemma: whether AI systems can perform fiduciary roles traditionally reserved for human directors and how such “artificial fiduciaries” challenge traditional fiduciary duties of care, skill and loyalty in corporate leadership. Sarah’s expertise bridges doctrinal legal analysis, comparative corporate law and AI ethics. Her work aspires to reform corporate legal frameworks to ensure trustworthy, transparent and human-centred governance in an era that is increasingly defined by algorithmic power and digital fiduciaries.

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Name of Panelist	:	Supawich Sirikanchana
Designation / Academic Post	:	Full-Time Professor
Institution / Organisation	:	Thammasat University, Faculty of Law
Title of Paper		
Influence of Artificial Intelligence in Capital Market Activities and Reflection in Thai Legal and Regulatory Framework		
Abstract		
<p>The massive disruption of artificial intelligence in capital markets has provoked excitement alongside challenges that demand further scrutiny from securities regulators. The transformative technology has the potential to shift the landscape of capital markets by enabling tremendous efficiencies and benefits for securities intermediaries and investors. The cutting-edge technologies drive financial innovations, provide investors with greater investment opportunities, and enhance operational efficiency, forecast market movements, monitor risk, and detect fraud. Additionally, artificial intelligence not only analyses vast amounts of unstructured qualitative and quantitative data but also gives recommendations to investors on digital platforms. Artificial intelligence technologies transform the capital market with their recent breakthroughs. Novel regulatory and policy challenges have emerged which are currently a top priority for global securities regulators and academics to examine its development and associated potential risks.</p> <p>This research seeks to address the principal inquiry: “How will artificial intelligence transform operational practices in the capital market, and what are the optimal regulatory standards to oversee this transformation?” Artificial intelligence is still in the stage of development; regulations should be flexible to encourage further innovations while protecting investors and ensuring securities intermediaries adopt the technology in a responsible way. This research proposes that regulators should focus on existing rules and impose new regulation as necessary, and the regulation approach should be principle-based and emphasise the quality of artificial intelligence disclosure. The principle of fiduciary duty can apply to securities intermediaries adopting the technologies. They must act with fiduciary duty in the best interest of investors, disclose accurate and not misleading information to investors, have knowledge and expertise in the technologies, and establish governance and risk management. Additionally, securities regulators should look forward to coordinating internationally for shared understanding through the lens of supporting market effectiveness and maintaining financial stability.</p>		
Brief Biography of Author		
<p>Supawich Sirikanchana is a full-time lecturer in law at Thammasat University in Bangkok, Thailand. He is also a PhD candidate at the National University of Singapore’s Faculty of Law, where he is advised by Professor Hans Tjio, and is set to defend his thesis in mid-November 2025. Supawich’s areas of expertise include corporation law, securities regulation, and law and technology. He teaches various subjects at Thammasat University’s Faculty of Law, including corporate law, securities regulation, banking and finance law, and labour law.</p>		

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Name of Panelist	:	Rachel Phang
Designation / Academic Post	:	Full-Time Professor
Institution / Organisation	:	Singapore Management University, School of Law
Title of Paper		
The Rise of “Compliance by Design” In Fintech Regulation: Panacea or Placebo?		
Abstract		
<p>As regulators and lawmakers confront the rapid evolution of financial technology (fintech), “compliance by design” (CbD) – integrating and embedding compliance with regulatory requirements into the design stage – has been steadily growing in prominence as a regulatory norm.</p> <p>This paper critically analyses this rise of CbD in fintech regulation, focusing on Asia (but referring to other jurisdictions where appropriate). To what extent is it a genuine solution and panacea for the challenges posed by fintech, as opposed to merely a placebo that masks new and persisting issues?</p> <p>Part 1 discusses the emergence of CbD in fintech regulation. First, it defines the concept, relating it to and distinguishing it from similar terms (e.g., “embedded regulation”, “compliance through design”). It discusses the origins of CbD in spheres such computer science and business studies, and its percolation to the legal and regulatory spheres. Second, it traces the rise of the “by design” norm in regulation generally (e.g., “privacy”, “security”, “rule of law” – all “by design”). Third, it discusses the proliferation and appeal of CbD in fintech regulation specifically (e.g., in the use of artificial intelligence, decentralised finance).</p> <p>Part 2 examines selected examples of CbD in action in the fintech regulatory context, including examples from legislation (e.g., EU AI Act Recital 80), soft law, and regulators’ initiatives (e.g., Project Mandala, MAS’s Purpose-bound Money Technical Whitepaper). Part 3 critically analyses this trend of CbD in fintech regulation. On the one hand, CbD is sometimes touted as a genuine solution that leverages the very technological architecture of fintech to enable new modes of compliance. On the other hand, issues – such as incentives misalignment, difficulties of translating regulatory nuance into technical design, and rule of law issues associated with enforcement of amorphous CbD norms – beg the question of whether CbD functions as a placebo, rather than a panacea.</p>		
Brief Biography of Author		
<p>Rachel Phang is an Assistant Professor of Law at the Yong Pung How School of Law, Singapore Management University (SMU). Her research interests are in the areas of financial law and regulation, contract law and tort law. She is especially interested in the interaction of financial regulation and private law. Rachel received an LLB from the National University of Singapore in 2016, and an LLM from the University of California, Berkeley, in 2021. She was admitted as an advocate and solicitor in Singapore in 2017. Prior to joining SMU, Rachel was a researcher at the National University of Singapore’s Centre for Banking & Finance Law. Rachel also previously practised as a lawyer in Singapore. Her experience in legal practice focused on financial services regulation, and covered legal and regulatory issues relating to banking, capital markets, payment services, insurance and fintech.</p>		

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Name of Panelist	:	Zhou Qin, Alex
Designation / Academic Post	:	Full-Time Professor
Institution / Organisation	:	Macau University of Science and Technology
Title of Paper		
Beyond Consent: AI’s Erosion of Personal Information Protection in China’s Financial Sector and Subsequent Regulatory Recalibration		
Abstract		
<p>China’s Personal Information Protection Law (PIPL) establishes “informed consent” as a cornerstone of personal information protection, echoing global standards.</p> <p>This paper argues, however, that the deployment of artificial intelligence and machine learning (AI/ML) in China’s financial sector fundamentally undermines the operational efficacy of this principle. Through an analysis of terms of services, privacy policies, and consent interfaces from major Chinese FinTech platforms, this paper demonstrates that AI/ML’s complexity, unpredictability, and dynamic nature make it impossible to provide individuals with the “specific and clear” understanding of personal information usage required by law at the point of consent. Notifications become vague, purposes are bundled, and consent is transformed into a perpetual, blanket authorization for processing. Consequently, the consent mechanism is reduced from a tool of consumer empowerment to a legalistic facade for pervasive data extraction.</p> <p>In response, this paper identifies an emerging paradigm shift in Chinese financial regulation. Regulators are moving beyond tinkering with the “informed consent” model and are instead orchestrating a post-consent framework centered on algorithmic accountability. This includes establishing technical standards, conducting direct reviews of algorithmic logic, and monitoring AI/ML deployments. The paper contends that China’s response represents a distinct, government-power-based model that prioritizes systemic risk control and state-sanctioned order over an individual rights-based approach. This recalibration has profound implications for consumer protection, financial innovation, and the evolution of the regulatory state.</p>		
Brief Biography of Author		
<p>ZHOU Qin Alex is an assistant professor of the Faculty of Law in the Macau University of Science and Technology (MUST). He holds a JSD from the City University of Hong Kong and an LLM from Northwestern University. Before joining MUST, he served as a Post-doctoral Fellow at the Centre for Banking & Finance Law of the Faculty of Law in the National University of Singapore. Alex teaches and conducts research in banking and finance law, FinTech law, contract law, and law and society. He has published articles in journals including Journal of Corporate Law Studies, Asian Journal of Comparative Law, Hong Kong Law Journal, and he has contributed chapters to several edited volumes.</p>		