AI Vendor Due Diligence Checklist

A Practical Framework for Evaluating AI Across Compliance, Distribution, and Supervision Operations

AI is reshaping how financial firms manage compliance, get content into the field, and supervise communications. Before your firm adopts another AI-powered solution, make sure it's built to withstand the scrutiny your business demands — not just impress you in a demo.

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1. Architectural Design

- ☐ Is compliance logic governed by deterministic rules — and can the vendor explain where AI is used vs. policy-aligned workflows?
- ☐ If the system generates a poor result, can the vendor explain exactly why — without relying on confidence scores?

2. Auditability & Regulatory Defensibility

- ☐ Can every AI-assisted decision be fully reconstructed — with a documented trail of inputs, rules applied, and outputs?
- ☐ Could your firm answer a regulator's question about a specific AI-assisted decision made two years ago?

3. Operational Impact & Cycle Time

- ☐ Does AI reduce manual workload without creating new model-tuning or validation obligations?
- ☐ Can the vendor demonstrate measurable reduction in approval and rework cycle times — in real production, not demos?

4. Content Distribution & Field Enablement

- ☐ Does the platform shorten the path from approved content to the people who need it — with permissions and jurisdictional alignment built in?
- ☐ Does field usage data flow back upstream to inform content strategy and compliance decisions — or does the system go dark after approval?

5. Signal Quality & Oversight

- ☐ Does the system prioritize precision over volume — filtering noise before it reaches reviewers or supervisors?
- ☐ Does oversight extend across the full content lifecycle — including communications supervision and post-distribution monitoring?

6. Data Privacy & Firm Data Controls

- ☐ Is your firm's data fully segregated from model training — and can the vendor clearly state what data is and is not fed into their models?
- ☐ Would you be comfortable explaining this vendor's data handling to a regulator during an examination?

7. Vendor Accountability

- ☐ Was this platform built by former CCOs and practitioners — or by AI researchers?
- ☐ How long has this vendor operated under regulatory scrutiny? Years of defensible outcomes — or promises?

The Bottom Line:

AI should make your firm faster, more confident, and more connected across compliance, distribution, and supervision — without creating new exposure. If a vendor can't demonstrate restraint, structure, and proof, they haven't earned your trust yet.

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