



UNIVERSITÄT
GÖTTINGEN

Privacy in Banking – Regulatory Compliance Chatbot

LL.M. in Intellectual Property and Information Technology Law
(LIPIT)

PentaLex Nova

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Overview

1. Legal Framework of the GDPR
2. Business Needs
3. Design
4. Technical Aspects
5. Future Applications

Legal Basis

Banks rely on "legitimate interest" as a legal basis under Article 6(1)(f) GDPR to process personal data, for example:

- fraud detection,
- risk management, and
- Anti-Money Laundering (AML) compliance.

Transparency

Assessment

Lawfulness



Transparency Requirement Under Art. 13 and 14

Data Controllers must provide the data subject with information regarding, *inter alia*:

- Identity of the controller
- Purpose of processing
- Legal basis of processing
- Where processing is based on Art. 6(1)(f), the legitimate interest pursued by the controller or a third party



AML Compliance

Fraud Prevention

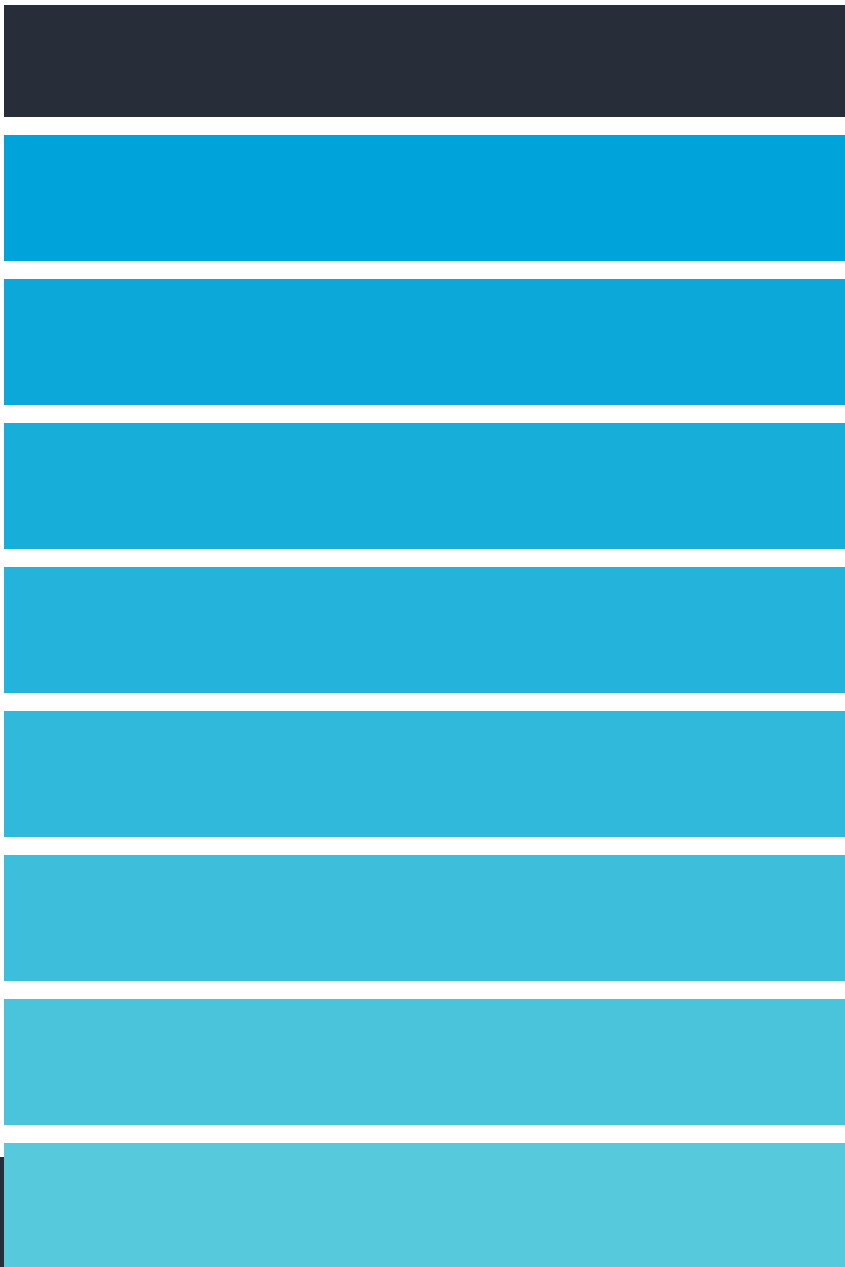
Risk Management

GDPR Awareness: Key Statistics

(2024 Eurobarometer 549)

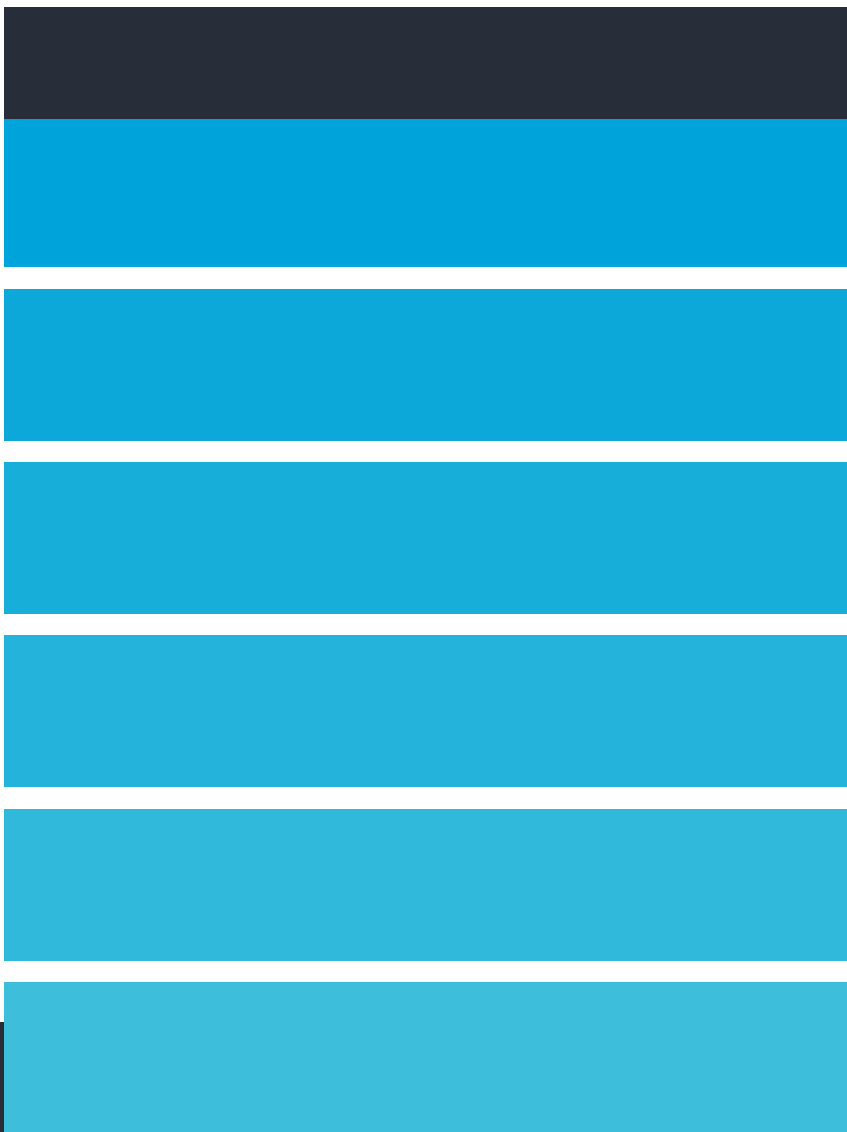
72%

EU respondents have heard of GDPR



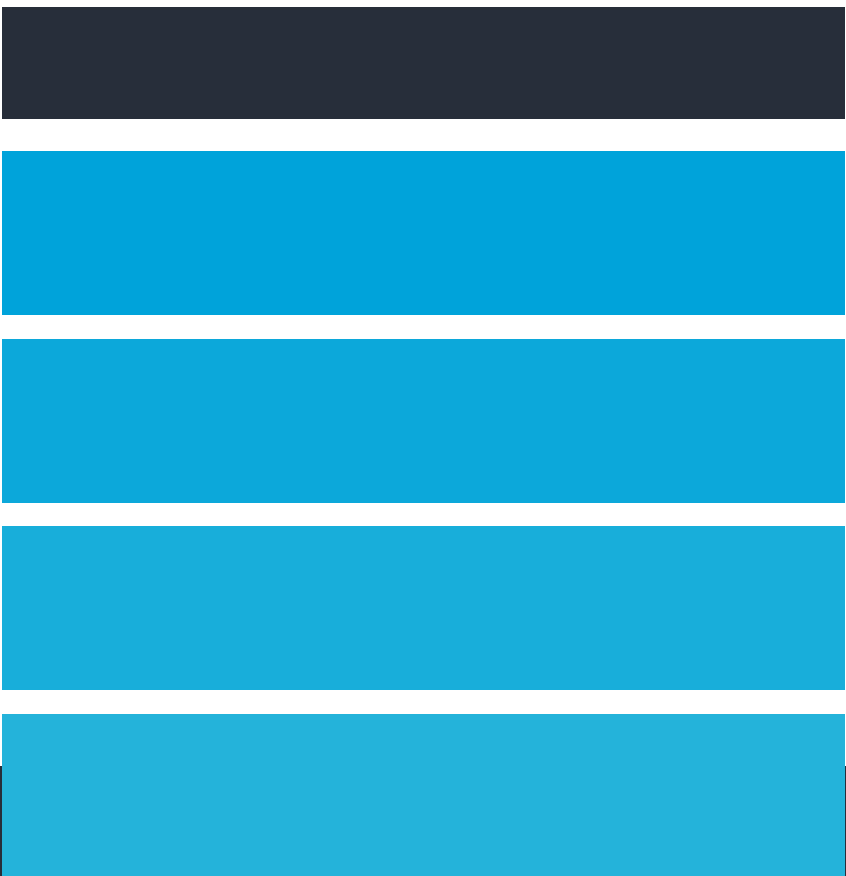
68%

know about national data protection authorities



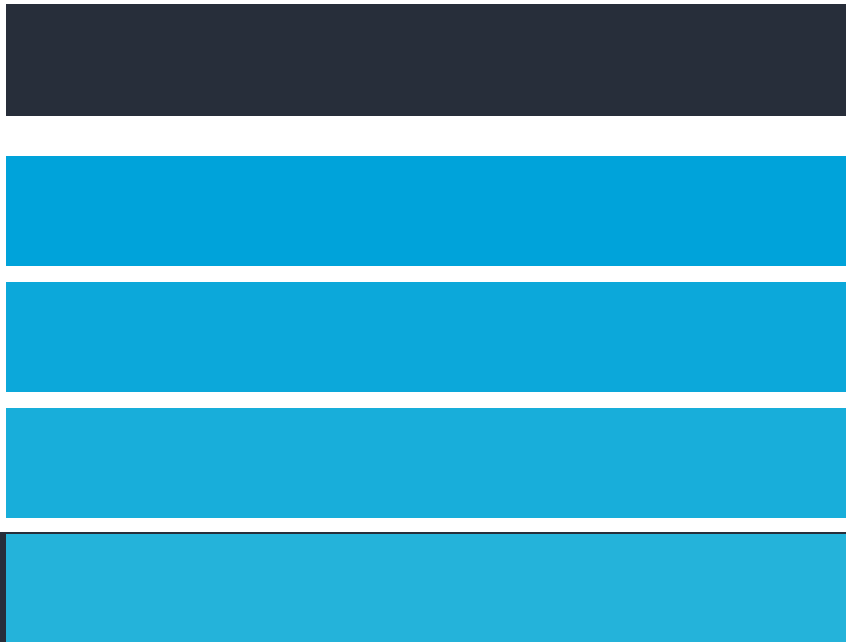
40%

understand GDPR specifics



24%

can identify national data protection authority



A significant information gap highlights the need for improved communication about data privacy rights.

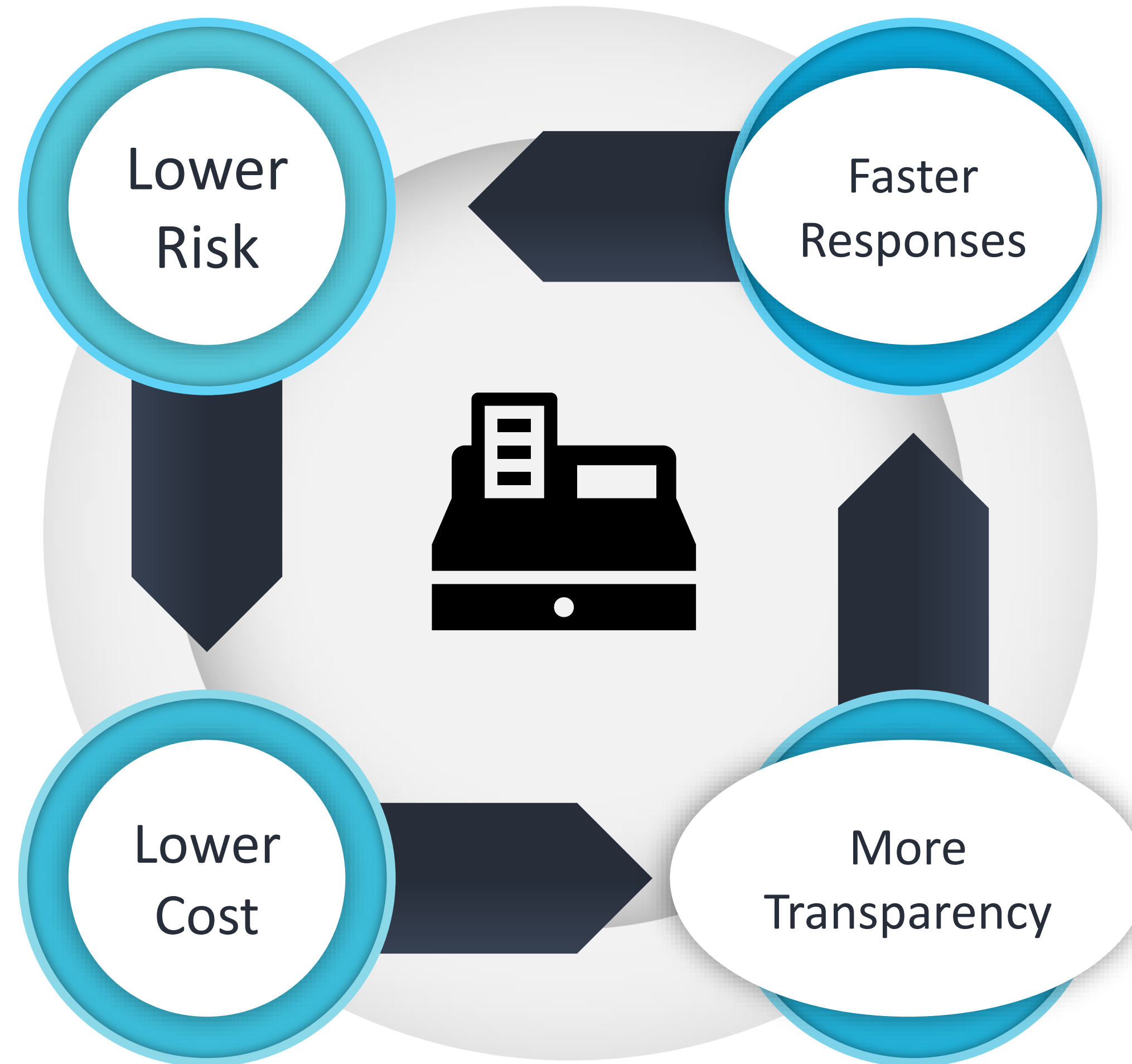
Economic Benefits of an AI-powered Solution

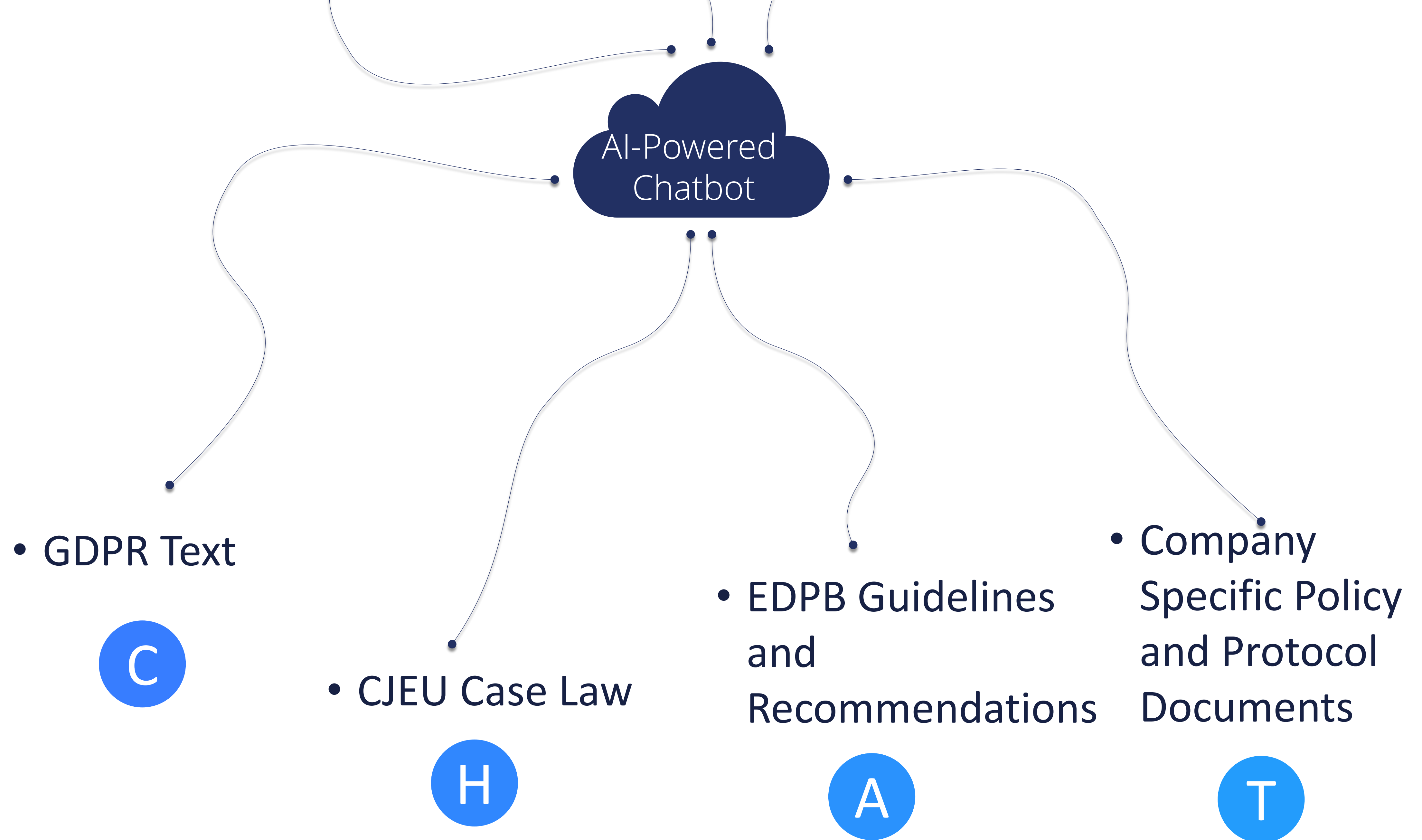
- Lower Risk of Fines & Lawsuits**
- ✓ Prevents GDPR complaints by explaining legitimate interest clearly.
 - ✓ Reduces legal risks and potential fines from regulators.

- Cost Savings on Legal Support**
- ✓ Cuts workload for legal & compliance teams.
 - ✓ Minimizes staff training costs with automated GDPR explanations.

- Automated Customer Inquiries**
- ✓ Instant responses to GDPR-related questions, reducing service costs.
 - ✓ Efficient handling of Right to be Forgotten (RTBF) requests.

- Increased Customer Trust and Reduced Churn**
- ✓ Transparency in data processing.
 - ✓ Higher customer satisfaction.





AI-assisted Regulatory Compliance

Consistency and Accuracy

Advanced models learn from updated legal databases and best practices, ensuring accurate, regulation-aligned, and consistent responses

AI-Driven Chatbot Solution

Implementing chatbots powered by advanced models like LLaMA or BERT enables real-time handling of diverse client questions.

Benefits for Banks and Clients

Immediate, tailored answers reduce staff workload, improve compliance, and maintain client trust, creating a scalable and efficient solution

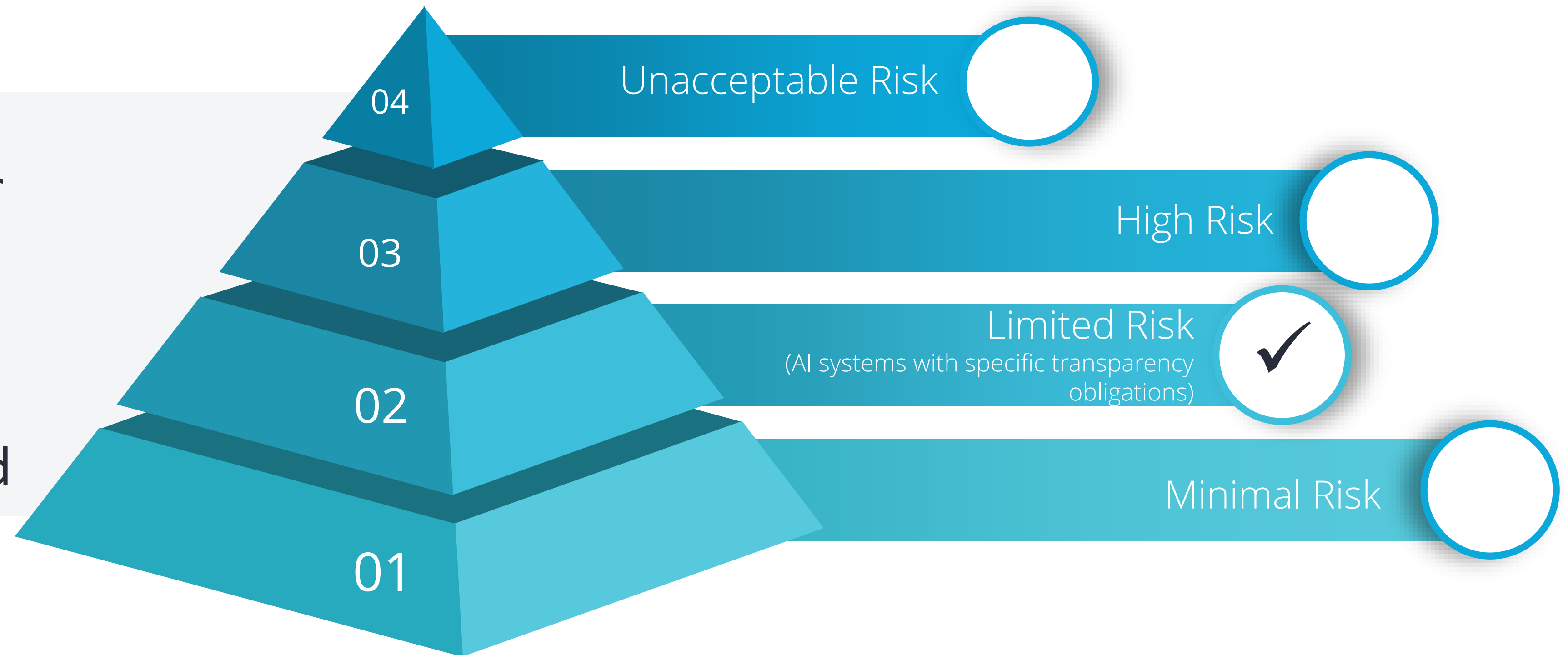


Regulation 2024/1689 AI Act: 4 levels of risks for AI systems

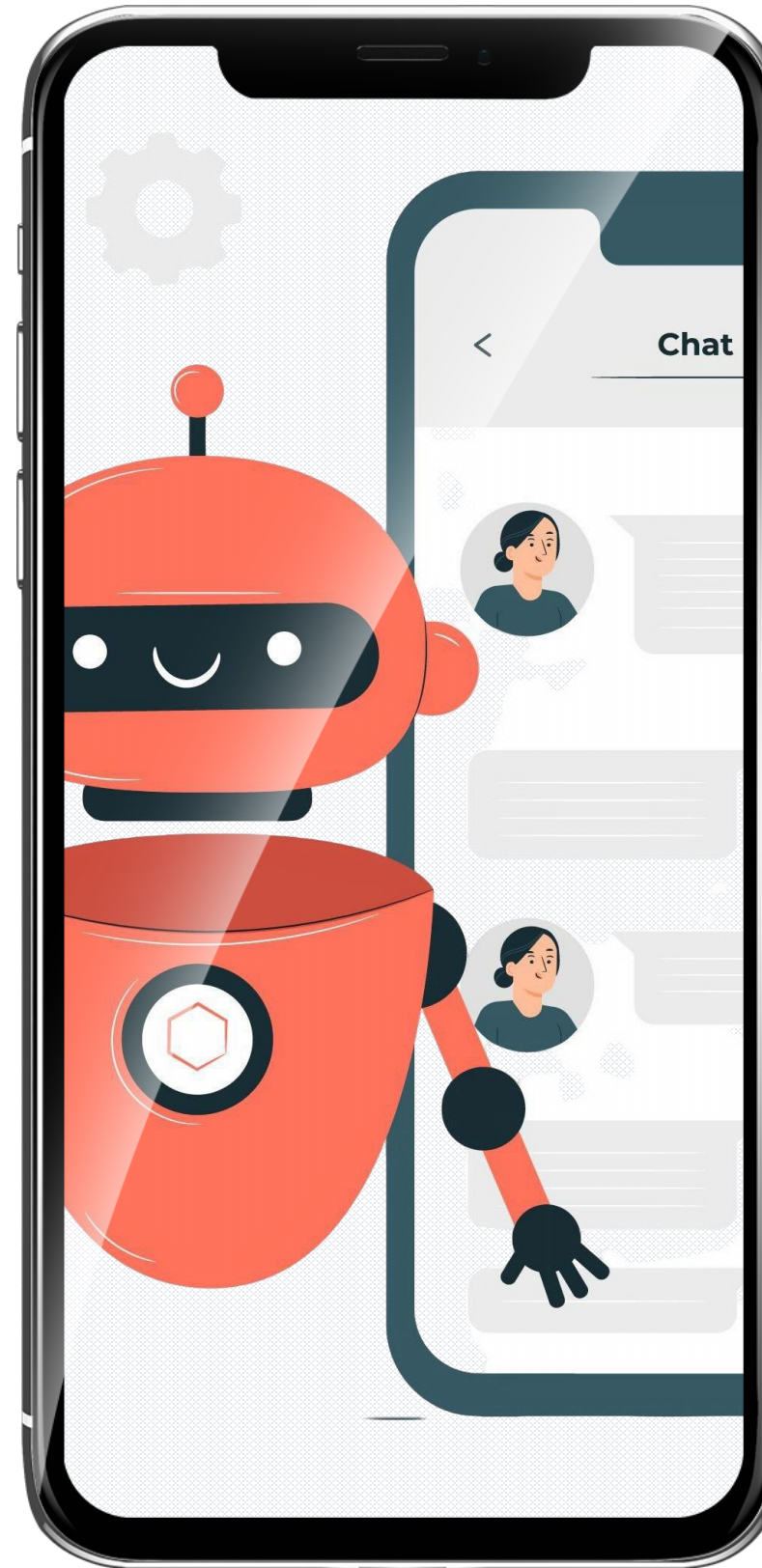
Limited Risk

Classification:

- ✓ Responsibility for Use
- ✓ Transparency Requirements
- ✓ Data Security and Compliance



AI Chatbot Language Models



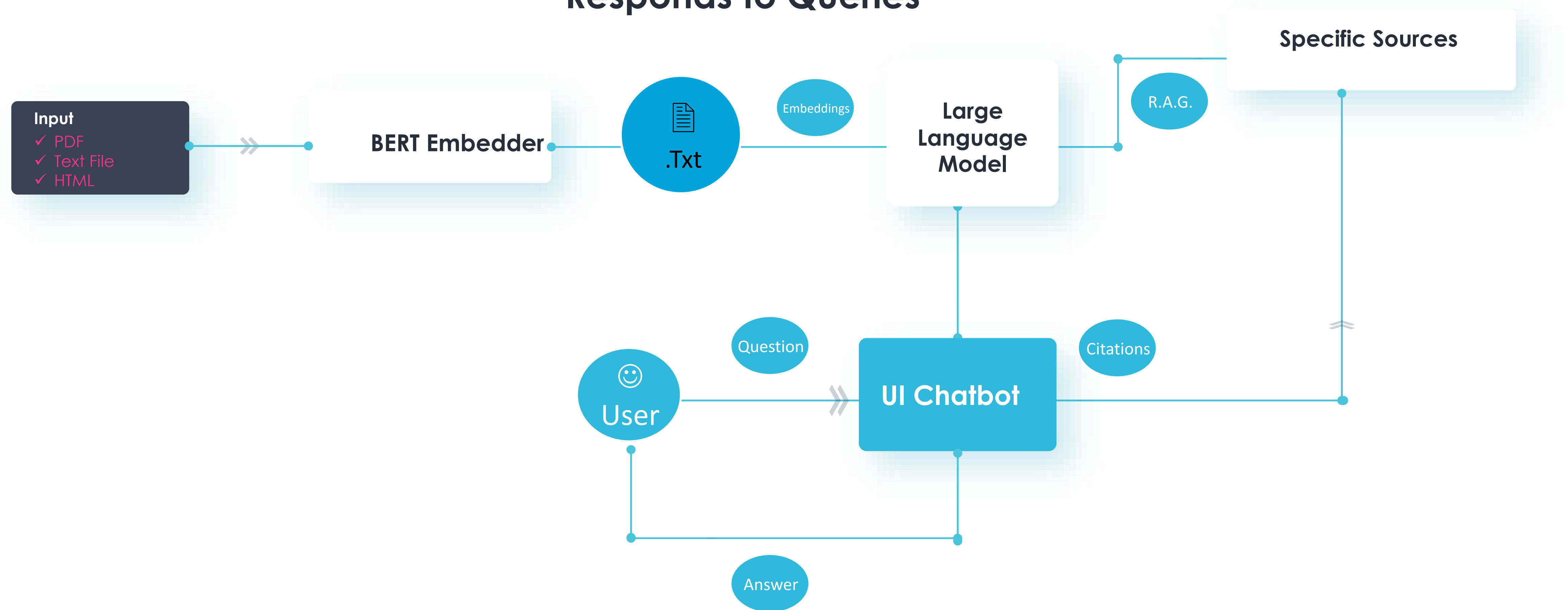
Meta's LLaMA

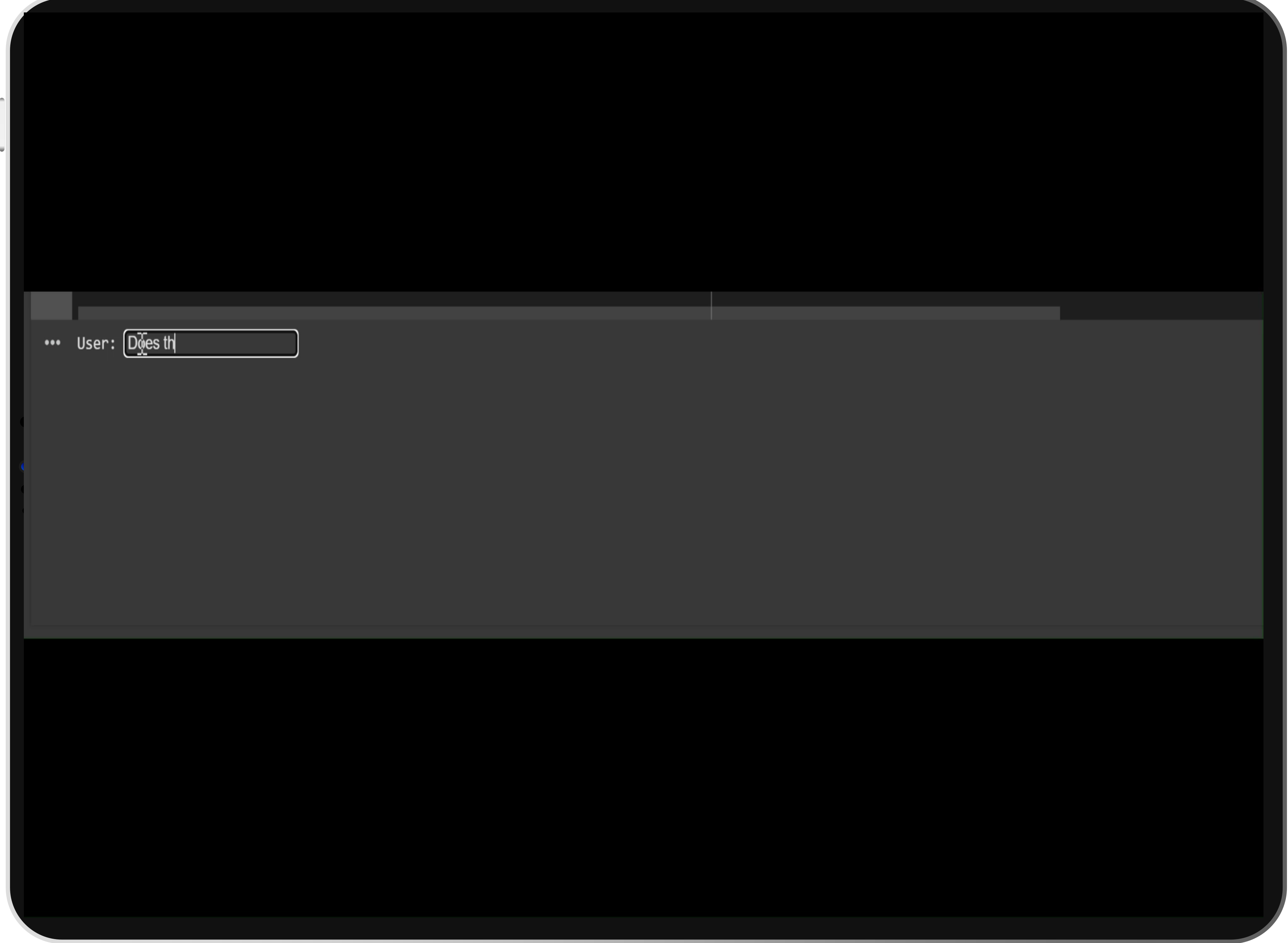
- ✓ Advanced Natural Language Processing
- ✓ High Efficiency & Low Latency
- ✓ Scalable & Customizable

Training Data:

- GDPR Text
- CJEU Case Law
- EDPB Guidelines and Recommendations
- Company Specific Policy and Protocol Documents

Technical Architecture: How Our Chatbot Processes and Responds to Queries





**Real-Life
Simulation:
Our Chatbot in
Action**

Potential Future Applications of the Chatbot.

Tech Companies

Helps app users understand consent and data usage

G

D

E-Commerce Platforms

Clarifies data collection during purchases and marketing.

P

HR Departments

Informs employees about data processing for payroll, performance reviews, and HR functions..

R

Regulatory

Forecasts potential legal risks while processing personal data

Thank You!

