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# THE FUTURE WITH ARTIFICIAL INTELLIGENCE (AI) IN THE FIELD OF FINANCE



Knowledge Series

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## ❖ INTRODUCTION

Every day, a finance professional conducts numerous long and tedious tasks each day. A few of these tasks include collecting and analyzing large amounts of financial data to prepare budgets, forecast business decisions, and manage book-keeping.

With all the time-consuming tasks, dedicating an appropriate amount of time and care to clients once seemed impossible. But, with the recent explosive use of AI tools for finance, finance professionals can now complete their finance and accounting tasks much more swiftly and effectively.

## ❖ ARTIFICIAL INTELLIGENCE (AI)

An AI tool is a software application that uses artificial intelligence to solve problems and perform certain tasks. Artificial Intelligence (AI) has been revolutionizing various industries, and the field of finance is no exception. Numerous businesses are already integrating AI tools into their work processes because of how fast and accurately they can arrange vast amounts of data and information. Its integration into daily operations is enhancing efficiency, accuracy, and strategic decision-making processes. The fact that this Knowledge Series is highly inspired by the content as provided by the AI tools demonstrates the extent AI may be helpful in our daily life.

## ❖ How AI is being used day-to-day in the field of Finance:

### 1. **Algorithmic Trading:**

AI-driven algorithmic trading systems are designed to execute orders at the best possible prices, managing risk, and executing trades with speed and precision. These systems analyze vast amounts of market data in real-time to make split-second trading decisions, far outpacing human capabilities. Machine learning models continuously improve by learning from new data, which enhances the system's effectiveness over time.

### 2. **Fraud Detection and Prevention:**

AI plays a crucial role in identifying and preventing fraudulent activities. Machine learning algorithms analyze transaction patterns to detect anomalies and flag potential fraudulent activities. This is done by comparing current transactions with historical data to identify unusual behavior. AI systems can adapt to new types of fraud as they emerge, offering a robust defense mechanism.

### 3. **Credit Scoring:**

AI enhances traditional credit scoring by analyzing a wider range of data points, including social media activity, transaction history, and mobile phone usage patterns, enabling more accurate risk assessment and potentially offering credit to those overlooked by traditional methods.

### 4. **Customer Service and Support:**

AI-powered chatbots and virtual assistants are becoming standard in financial institutions. They handle routine inquiries, provide account information, and assist with transactions. These systems use natural language processing (NLP) to understand and respond to customer queries, providing instant support and freeing up human agents to handle more complex issues.

### 5. **Portfolio Management:**

Robo-advisors are AI-driven platforms that offer automated portfolio management advice, assessing risk tolerance, investment goals, and market conditions, democratizing investment management and making it accessible to a wider audience.

### 6. **Risk Management:**

AI helps in identifying and mitigating risks by analyzing large datasets to predict market trends and potential risk factors. Machine learning models can forecast economic conditions, asset prices, and credit risks, allowing financial institutions to make proactive decisions. This is especially useful in stress testing and scenario analysis.

### 7. **Personalized Financial Planning:**

AI enables financial institutions to offer personalized financial advice by analyzing individual customer data. This includes spending habits, income patterns, and financial goals. Personalized insights help customers make informed decisions about savings, investments, and retirement planning, enhancing their overall financial well-being.

### 8. **Regulatory Compliance:**

Keeping up with regulatory changes and ensuring compliance is a significant challenge for financial institutions. AI systems help by automating compliance processes, monitoring transactions for compliance breaches, and maintaining up-to-date records. This reduces the risk of non-compliance and the associated penalties.

### 9. **Market Analysis and Sentiment Analysis:**

AI analyzes news, social media, and other online content to gauge market sentiment. Sentiment analysis tools process this unstructured data to provide insights into market trends and potential impacts on asset prices. Traders and investors use these insights to inform their strategies and decisions.

### 10. **Insurance Underwriting:**

In the insurance sector, AI improves underwriting processes by analyzing vast amounts of data to assess risk more accurately. This includes traditional data such as credit scores and claims history, as well as non-traditional data like social media activity and lifestyle choices. AI-driven underwriting ensures more accurate pricing and better risk management.

## ❖ Different AI Tools which we can use in our Life to not only Solve our Basic Problems but also Save our Time:

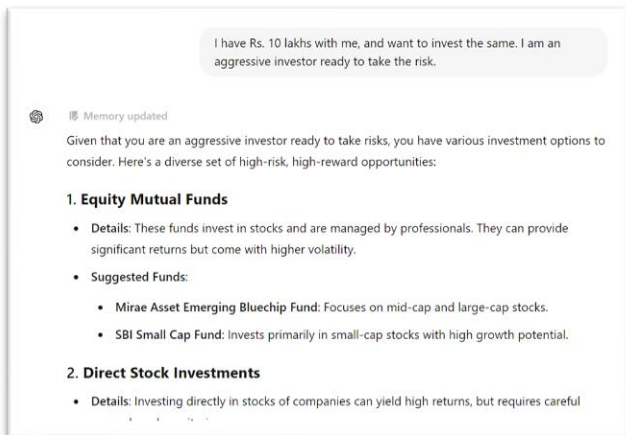
### A. ChatGPT:

Launched only in November of 2022, ChatGPT is arguably the most successful and well-known AI for finance used today. ChatGPT is an **Open AI Tool** that uses natural language processing to create human-like, conversational text. Because of ChatGPT's ability to quickly create long forms of conversational text with as little as a simple prompt, finance professionals have started using it to create blogs and other forms of content for their websites. ChatGPT is also a great tool for brainstorming content ideas. ChatGPT can be used in our daily life for solving our daily financial problems in the following manner:



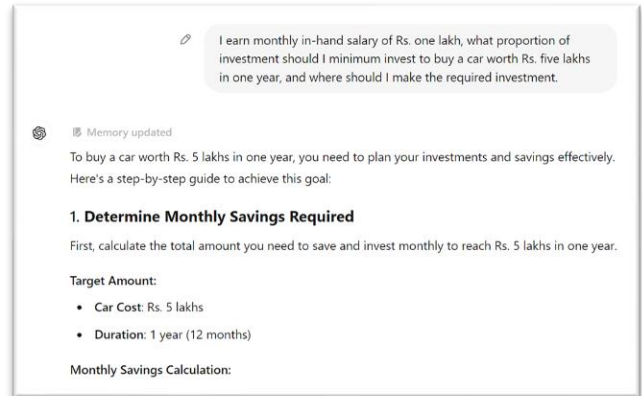
#### 1. ChatGPT can help us in understanding the type of Investments beneficial for us:

Everyone, after we receive our paycheck in the month end, once at least thinks about investing a part of the amount, but does not know where to invest and how to segregate the amount for a better portfolio. ChatGPT can help us to use our brain power to be more creative and understand more diverse options for investments based on our preferences.



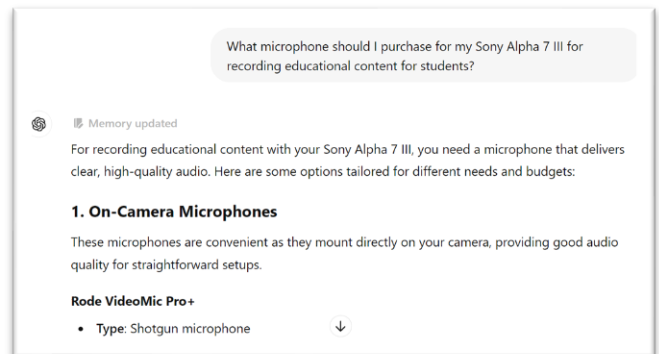
#### 2. ChatGPT can help us in planning our goals:

We all have some or the other financial goals to achieve, whether its to buy our dream car, or a great sports bike or have our own house. You can explain your goal to ChatGPT, and it can help you in understanding the investment requirements and options.



#### 3. ChatGPT helps you to decide which products to buy:

For bigger financial decisions, we can use ChatGPT as a sounding board to figure out what to buy. For example, you are in the business of recording coaching classes for students. You have a DSLR camera and you want to buy a microphone. We might not have time to go through details of 50 microphones and understand the best one for us. ChatGPT can help you in scouring all the reviews to find the best opinion for the microphone.



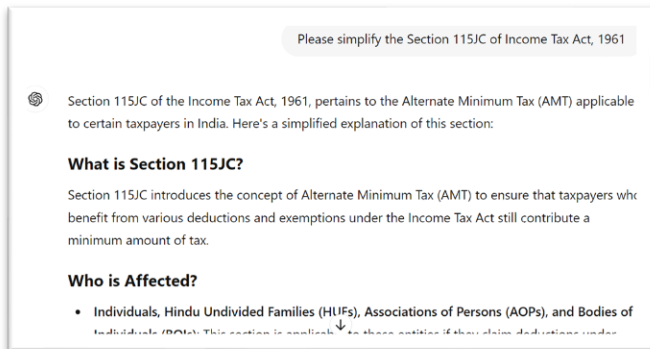
#### 4. ChatGPT can help you to get details of the recent changes in the laws and regulations:

Being a finance professional, you are required to be updated on the latest changes being made in the laws and regulations. ChatGPT can help you get a summarized version of the same and then you can ask questions for any in-detailed information required.



## 5. ChatGPT can help simplify complex provisions of the law:

All the provisions of the laws and regulations are not generally easy to understand. ChatGPT can help you to get an simplified version of the same.



## B. Datarails FP&A Genius:

Datarails FP&A Genius is a ChatGPT-style chatbot made for many finance professionals. One great feature of the Datarails FP&A Genius chatbot is its ability to connect to data in real-time. This makes any financial information it provides accurate and up-to-date.



Datarails FP&A Genius is an innovative software solution designed to streamline and enhance the financial planning and analysis process. It leverages advanced data integration, automation, and AI-driven analytics to provide real-time financial insights and strategic recommendations.

The platform is built on the foundation of Excel, making it familiar and easy to adopt for finance professionals. It integrates seamlessly with existing systems, consolidates disparate data sources, and provides powerful analytical tools that empower FP&A teams to perform at their best.

Another Datarails FP&A Genius feature that makes it one of the best AI tools for finance is its ability to connect all of a company's finance integrations and data sources into one source of truth.

Also, unlike ChatGPT and many other chatbot AI tools, a finance professional that uses Datarails FP&A Genius can rest assured that all data that comes from the chatbot tool comes from trusted and secure sources. Datarails FP&A Genius even provides its users with dashboards and visuals that they can use in finance presentations. Cases where multiple companies are effectively using Datarails FP&A Genius for effectively solving their problems are as follows:

- Budgeting and Forecasting:** Companies use Datarails to streamline their budgeting processes and create more accurate forecasts, helping them to manage cash flow effectively and plan for the future.
- Financial Performance Analysis:** Businesses leverage the platform to analyze financial performance, identify trends, and benchmark against industry standards.
- Strategic Planning:** Datarails supports strategic planning by providing insights that help businesses set realistic goals and develop effective strategies to achieve them.

Pricing at Datarails FP&A Genius is customized and thus varies depending on your package of the product.

## C. Betterment:

In today's complex financial landscape, managing investments can be daunting. However, platforms like Betterment have revolutionized the way individuals approach investing by offering accessible and user-friendly solutions. Founded in 2008, Betterment has emerged as a leader in the fintech industry, combining cutting-edge technology with personalized financial advice to help users achieve their long-term financial goals. The tool provides the following set of features:



**1. Automated Investment Management:** Betterment provides a streamlined investment experience through its automated platform. Users can create personalized portfolios based on their financial objectives, risk tolerance, and time horizon. The platform uses algorithms to optimize asset allocation and rebalance portfolios, ensuring efficient and diversified investments.

**2. Goal-Based Investing:** Central to Betterment's approach is goal-based investing. Users define their financial goals, such as retirement savings, purchasing a home, or funding education. Betterment then designs portfolios tailored to these goals, adjusting strategies as users progress towards achieving them.

**3. Diversification and Risk Management:** Diversification is key to managing risk and maximizing returns. Betterment spreads investments across a wide range of asset classes, including stocks and bonds, based on modern portfolio theory principles. This approach aims to minimize risk while potentially enhancing long-term growth.

**4. Tax Efficiency:** Betterment employs tax-efficient strategies, such as tax-loss harvesting and asset location, to help users optimize their after-tax returns. These features can reduce tax liabilities and enhance overall portfolio performance.

**5. Accessibility and Transparency:** The platform offers a user-friendly interface accessible via desktop and mobile devices. Users can track their investments, monitor progress towards goals, and access educational resources to improve financial literacy.

**6. Financial Planning Tools:** Betterment provides robust financial planning tools and calculators to assist users in making informed decisions. These tools help users assess their current financial situation, project future savings, and understand the impact of various investment strategies.

Betterment has democratized investing by making sophisticated financial strategies accessible to individuals of all backgrounds. Whether you're planning for retirement, saving for a major purchase, or building wealth over time, Betterment offers a comprehensive solution designed to simplify the investment process and empower users to achieve their financial aspirations with confidence.

In a rapidly evolving financial landscape, Betterment continues to innovate, ensuring that individuals can navigate their financial futures with clarity and control. As technology continues to shape the way we manage money, platforms like Betterment stand at the forefront, reshaping the investment experience for the better.

#### D. Macroaxis:

The wealth management industry is changing in an unprecedented way as a new generation of investors and technology adoption continues to reshape the market. Coupled with a challenging investment environment with more uncertainty and risks, investors must remain on top of the current trends to leverage market opportunities. For wealth management companies, they have to reinvent themselves to be better positioned to provide services that are up to the expectations of their customers. This requires them to integrate new technologies and understand current competition patterns and business models.



An additional form of AI for finance is Macroaxis. Macroaxis is a Wealth Optimization Platform that helps any finance professional discover new investment opportunities in different markets and asset classes.

The Macroaxis Wealth Management Platform designed to address the most technical part of wealth optimization process which includes asset allocation, equity research, portfolio optimization, portfolio rebalancing and portfolio suggestion. In a typical setting, wealth management process starts by developing a personal plan that wealth manager puts together according to the client's financial situation,

investing goals, and risk tolerance. After the initial plan is finalized, the manager meets with clients on regular bases to determine whether rebalancing of the portfolio required to maintain the initial goal, or the personal strategy needs to change due to changes in the client's financial situation or risk outlook. This relationship between wealth advisor and a client usually long-term, and fees are very high; therefore most investors cannot afford a personal wealth manager.

Macroaxis solves this gap by providing technical wealth management tools that are both notably practical and very easy to use as well as eminently affordable - a fraction of what you would expect to pay to a traditional wealth management service. Macroaxis Wealth Optimization Platform is a set of comprehensive modules that are written in the context of traditional financial modeling and robust portfolio optimization framework. Whether you are a beginner or a professional money manager, it can add measurable value in the form of improved risk-adjusted return on portfolios of investors of all levels and skills.

According to Capterra.com, the price of the AI tool Macroaxis costs a flat rate of \$39.40 per month.

#### E. Trullion:

Trullion connects structured and unstructured data together. Doing this minimizes cost inefficiencies, keeps compliance up-to-date, and saves finance and accounting professionals' time.



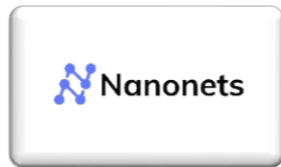
One key feature of Trullion is an audit function. This function compares financial documents and transactions to supporting documents anywhere, anytime.

Another key feature of Trullion is the ability to extract data from lease contracts of any format and quickly and easily make them into audit reports. In addition, a Trullion key feature is revenue collection and reporting. Trullion can upgrade revenue collection and reporting by collecting and managing a person's customer relationship management, billing, and contract data while simultaneously automating workflow and handling revenue recognition.

According to Audit Partner and Tech Pillar team member, Tricia Katebini, at accounting services firm GRF CPAs & Advisors, with the use of the Trullion financial AI tool, the workflow time at GRF CPAs and Advisors, "was reduced by 40%, and I anticipate 50-90% savings in the near future."

Such a reduction in workflow time was because the Trullion AI for finance collected and organized financial data in a way that helped the company create and sustain a competitive edge, centralize workflow and communication, and optimize internal processes.

## F. Nanonets Flow:



AI tools for finance, such as Nanonets Flow, make completing finance tasks easier. Nanonets Flow, in particular, makes finance tasks easier because it automates complex processes by extracting and organizing important financial data and documents. The Nanonets Flow AI for finance tool also makes things easier by managing workflows and integrating existing financial systems with accounting software.

Processing unstructured data from documents like invoices, receipts and purchase orders often involves repetitive tasks and a lot of human resources. Nanonets, which primarily targets the financial services sector, says its AI platform aims to improve the efficiency of these processes and make them cost-effective.

A Y Combinator alum, the startup has built an AI platform through which it offers no-code solutions that, according to the company, can help businesses extract information from documents, emails, tickets, databases and the like, and convert them into actionable insights. The company's AI platform uses machine learning architectures to analyze unstructured data from uploaded documents and extract useful information. Its no-code AI agents can be plugged into ERP platforms like QuickBooks, Xero, Sage and NetSuite to automate accounts payable processes, optimize supply chains by taking historical data from Square and Tableau, and summarize health reports from patient management systems.

The price of Nanonets Flow depends on the plan you request. For example, the Nanonets Flow starter plan costs \$49.00 a month. This plan is for people or teams who are just starting to use the platform for the first time.

The Nanonets Flow Pro plan costs \$69.00 a month. This plan is for teams who want to automate their accounts payable process from beginning to end.

The Nanonets Flow Plus plan costs \$99.00 a month. This Nanonets Flow Plus plan is for businesses that want custom workflows to automate business processes for measurable return on investment.

## G. Booke.ai:



Booke.ai is an AI tool that automates bookkeeping. With the use of Booke.ai, not only is accuracy improved when bookkeeping, but so is client communication, data collection and organization, and the month-end closing process.

Recognizing a gap in the market, Booke.ai came up with an innovative solution that lets businesses focus on running their operations while the Booke.ai software handles all their tedious bookkeeping tasks. Booke.ai aims to boost efficiency and time management with its game-changing AI-powered bookkeeper.

Designed to handle data of all sizes, the Booke.ai software streamlines bookkeeping processes, ensuring consistent, accurate, and organized financial records.

The onboarding process for Booke.ai is straightforward. Users start by choosing their preferred bookkeeping frequency - daily, weekly, or monthly. Once set up, Booke's AI-driven bookkeeping software seamlessly integrates with QuickBooks or Xero to sync bank accounts and credit card details.

Using its AI-enhanced precision and reliability, the Booke.ai platform regularly monitors and reviews all transactions - sales and expenses- and adds them to the general ledger account. If there's a lack of clarity surrounding any transaction, Booke.ai doesn't just guess; its advanced software prompts a response for human categorization, ensuring all data is labeled correctly.

That's not all; whenever the user inputs clarification regarding an unclear category, Booke's AI learns from it. The AI-powered bookkeeping automation software is designed to take input from the user to improve and enhance its performance continuously.

The Booke.ai team is committed to transparency, maintaining a detailed trail log that users can access anytime. The log lets users check in on all the categories and transactions. Additionally, their advanced error detection technology simplifies finding and rectifying bookkeeping errors, ensuring highly accurate financial records.

Booke's AI Bookkeeper is engineered to save at least 2 hours per client per month, functioning as an intelligent, efficient team member who handles repetitive tasks accurately. The platform provides AI-powered automation for uncategorized transactions and coding errors during month-end close. Prominent features of Booke.ai include an intelligent AI assistant, two-way integrations with Xero, QuickBooks, or Zoho Books, and real-time OCR AI for invoice and receipt data extraction.

## ❖ CONCLUSION

AI tools are reshaping the financial landscape, offering sophisticated solutions for trading, risk management, customer service, fraud detection, and more. These tools not only enhance operational efficiency but also provide deeper insights and more accurate predictions, driving innovation and growth in the finance industry. As AI technology continues to evolve, its impact on finance will undoubtedly grow, bringing even more advanced capabilities and benefits.

The future of finance with AI promises a landscape marked by greater efficiency, enhanced security, and unparalleled innovation. Financial institutions that embrace AI technologies will be well-positioned to capitalize on new opportunities, deliver superior customer experiences, and maintain a competitive edge. However, it is essential to approach this transformation with a balanced perspective, addressing ethical concerns and ensuring that AI systems are designed and implemented responsibly.

In conclusion, the integration of AI in finance heralds a new era of possibility, where technological advancements and human ingenuity converge to shape a more dynamic and forward-thinking financial industry.

**Please Note:** The information in this Knowledge Series is derived from publicly available sources, and most of the tools mentioned have not been utilized. This Knowledge Series is intended solely for informational purposes and does not serve as an endorsement or promotion of any of the tools listed.

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## ❖ Compliance Calendar for the month of July 2024

S.N.	Due Date	Compliance
1	07 July	Payment of TDS/TCS (Monthly)
2	07 July	Payment of Equalization Levy (Monthly)
3	11 July	GSTR-1 (Monthly)
4	13 July	GSTR-1 (Quarterly)
5	15 July	Payment of ESIC and Return
6	15 July	Payment of PF and Return
7	15 July	FLA Return - Annual Return on Foreign Liabilities and Assets under FEMA
8	15 July	TCS Return in Form 27EQ
9	20 July	GSTR-3B (Monthly)
11	22 July	GSTR-3B (Quarterly)
12	25 July	GSTR-3B (Payment under QRMP)
13	31 July	Quarterly TDS Return in Form 27Q
14	31 July	Quarterly TDS Return in Form 26Q
15	31 July	Quarterly TDS Return in Form 24Q
16	31 July	Monthly Return of PTRC
17	31 July	<b>INCOME TAX RETURN (ITR)</b> for Assesseees not subject to Audit

## ❖ GC CORNER:

On the 29<sup>th</sup> day of June 2024, a Blood Donation Camp was organised, where we received a great response from the people.

## ❖ SPECIAL MENTION:

Thank you, **Neelmani Arora**, for successful compilation of this Knowledge Series.

