

INSTITUTIONAL AI
INSIGHTS

**AI is a given.
Control is not.**

Why institutional leaders are asking the wrong question about AI.

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There are two AI conversations happening inside every institution right now. The first is about adoption. The second is about control. Most institutional leaders are still optimizing for the first. That is the mistake.

For most institutions, the question of whether to use AI is settled. Most major asset managers, banks, insurers, asset servicers, sovereign wealth funds, pension schemes, and family offices have now embedded AI into core operations or are well underway. The question that has replaced it — the question the next decade of institutional results will turn on — is who controls the AI infrastructure that produces institutional decisions.

Control is not adoption. Adoption is a procurement question. Control is a fiduciary question. The institutions that conflate the two will discover the difference at the worst possible moment.

What control actually means

Most institutional leaders, when asked whether they have control over AI, point to a contract, an attestation, a SOC 2 report, or a policy. None of those is control. A contract is a promise. An attestation is a claim. A policy is an intention. Control is the technical ability to prove — independently, on demand, and at any moment — where an AI workload is running, who can access it, what data it has touched, and what would happen to it if the provider was compromised, restricted by its own government, or served with a foreign legal demand.

By that standard, the overwhelming majority of institutions today have intentions, not control.

The evidence is already on the public record

In early 2026, U.S. government actions involving a leading frontier AI lab — including federal-agency directives, the termination of a federal contract, and active litigation that remains pending in two federal courts — illustrated how quickly institutional dependency on a single provider can become operational exposure. Customers of that lab did not get a vote in any of it. The exposure ran through provider concentration that had previously been characterized as low risk.

On March 30, 2026, seven European banks — Bpifrance, BNP Paribas, Crédit Agricole, HSBC, La Banque Postale, MUFG, and Natixis — collectively extended €830 million of debt to a single European frontier AI lab. Whatever the specific motivations of each bank, a transaction of that structure and scale, executed by seven systemically important institutions in a single AI provider, is consistent with sophisticated capital

treating AI infrastructure exposure as a portfolio-level question — and treating jurisdictional and control attributes of that infrastructure as part of the calculus.

These are not edge cases. They are the new operating environment.

Why fiduciaries cannot delegate this question

Asset owners are the world's stewards of capital. They hold systemic responsibility for retirements, sovereign reserves, insurance liabilities, family wealth, university endowments, and the long-dated obligations that sit underneath every functioning economy. When a fiduciary cedes infrastructure decisions to a single provider whose conduct, jurisdiction, and continued availability lie outside the institution's effective authority, that is not procurement. That is the silent transfer of a fiduciary obligation onto a counterparty who has not assumed it and is not accountable for it. No board minutes describe it that way. They should.

What changes when control is treated as the question

Once an institution accepts that control — not adoption — is the AI question that matters, three things change quickly. The board engages, because control belongs to the board. The legal, technology, and risk functions stop negotiating in parallel and start negotiating together, because control is not a single-function problem. And procurement criteria shift from feature comparison and unit economics to a more durable question: under what conditions can the institution continue to operate if a provider, a jurisdiction, or a market structure changes? That is the question the next decade of AI investment will be judged on.

This is why Institutional AI exists

Institutional AI is the AI control firm for financial institutions. We are not a consulting firm, a software vendor, or a systems integrator. We sit in the role independent assessors and architects have traditionally occupied: setting the framework, certifying conformance to it, and advising on its implementation. The work lets institutional leadership prove — to boards, regulators, beneficiaries, and counterparties — that the AI driving institutional decisions is under institutional command. The work begins with the AI Sovereignty Assessment. It is short. It is honest. And it tells you, in a way no provider attestation will, where your institution stands.

AI is a given. Control is not.

The institutions that command intelligence will command the future. Those that do not will be subject to those who do.

ABOUT THE AUTHOR

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ABOUT INSTITUTIONAL AI

Institutional AI exists for one purpose: to put institutions back in control of artificial intelligence. We serve sovereign governments, central banks, tier-1 global banks, asset owners and managers, asset servicers, insurance companies, pension schemes, family offices, and other financial institutions where trust, accountability, and sovereignty are non-negotiable.

AI is a given. Control is not. Those who govern intelligence will govern the future.

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