Fai

Fai in practice | Financial services regulation

500 + regulatory assessments. First-drafted in 26 hours.

Our sister firm Thomsons needed hundreds of products classified under Australian financial services law. Each one had to follow the firm's own method, review a huge number of white papers and use the firm's own format. Fai produced every first draft in just over a day. The lawyers spent their time on review and judgement.

500+	50,958	26 hrs	2,235
assessments drafted	answers, each one sourced	elapsed	lawyer-hours by hand, on the firm's estimate

The assignment

A digital asset platform asked Thomsons' digital assest team to classify 500 + tokens under Australian financial services law. A digital asset token can work like money, a share, a pooled investment or a derivative. Which one it is depends on its rights, its structure and how it is marketed. Each product had to be tested against every financial product category, from securities and managed investment schemes to derivatives and non-cash payment facilities.

The firm's method has 114 questions and many classification tests for each product. By the firm's estimate, an experienced lawyer needs about five hours to produce a first draft, which is then subject to Senior Associate / Partner review. Across the portfolio that comes to at least 2,235 lawyer-hours: a team of ten working for nearly six weeks on nothing else.

How Fai was deployed

The firm's lawyers wrote the assessment method once, and Faculti built it into Fai as a Fai Skill. The firm's know-how was combined with Australian legislation, regulator guidance, case law and practice notes to form a Fai Knowledge Base of 33 curated sources.

Each product was assessed in its own agentic Fai session, with six sessions running in parallel. Over the run, Fai consulted the Knowledge Base more than 24,000 times. The work came back in three forms:

- 500 + Word assessments, in the firm's format and numbering
- a master spreadsheet of every classification
- a live Fai session for each product, where lawyers can ask follow-up questions or take the analysis further

Head to head

We ran one assessment two ways. The first used an off-the-shelf frontier model. The second used Fai with the firm's Skill and Knowledge Base. Both reached the same five roll-up classifications as the firm's advice. The difference was in everything underneath those conclusions.

	Off-the-shelf frontier model	Fai, with the firm's Skill and Knowledge Base
Questions answered	101 of 114	114 of 114
Answers citing a source	About two in three	Every answer
Answers quoting the source verbatim	None	91%
Answers in the firm's numbering	None	Every answer
Answers resting on news or commentary	6	None
Misstatements	2, plus a reasoning gap	None

A frontier model can reach the right conclusion. A lawyer can only settle an assessment, which is then checked by a senior lawyer, when every answer is reasoned, sourced and set out the way the firm sets out its advice.

Where the lawyers' time went

Every assessment was a first draft for lawyer review, and nothing reached the client without that review. Fai is built to surface uncertainty rather than smooth it over. It flagged 130 assessments (29%) with a split or undetermined verdict for lawyer attention.

All 500 + assessments came back complete. There were no mismatches across 2,682 cross-checks between the master spreadsheet and Fai's working notes. The lawyers moved from drafting to reviewing and settling advice.

What it shows

Every firm can buy fast AI, and every firm has access to the same frontier models. Speed and intelligence no longer set a firm apart. What does is what the firm knows, and whether it can apply that know-how consistently across hundreds of assignments at once.

The firm's method is now a repeatable asset, and the Skill and Knowledge Base are ready for the next portfolio. The same approach works for any high-volume, rules-based regulatory classification.

Written once. Applied 500 + times. Every answer accounted for.