SHAPING EUROPE'S DIGITAL FUTURE

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12 July 2023

The European Artificial Intelligence Act

Why a Regulation on AI?

Solid legislation already in place at EU and national level to protect fundamental rights

HOWEVER

Certain **specific features of AI** can make application and enforcement more challenging and generate new risks

A **tailored regulatory response** needed

The Commission's **proposal for an AI Act:**

- ✓ A set of **harmonised rules** in the EU applicable to the design, placing on the market and use of AI systems
- ✓ **Enhance trust and minimise risks** before AI systems can be used in the EU
- ✓ **Innovation-friendly** regulation to intervene only where **risks to safety and fundamental rights arise**
- ✓ Bring **legal clarity and certainty** to individuals and businesses
- ✓ Create a **level playing field**

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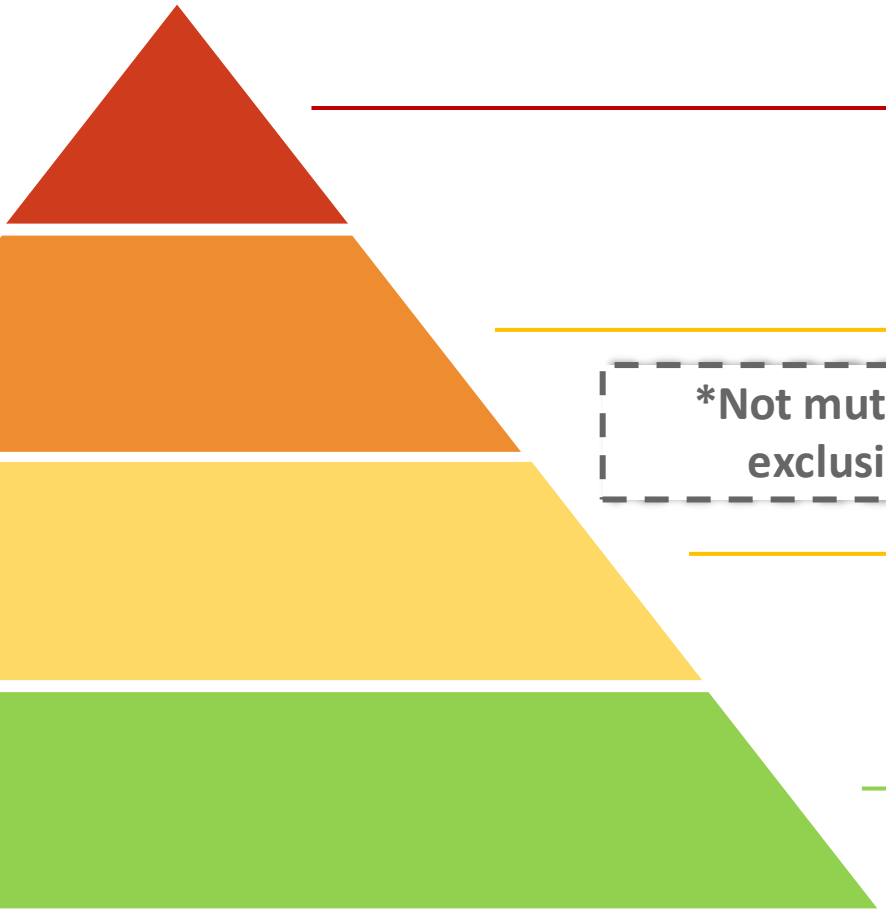
A Risk-Based Approach to Regulation



*Not mutually exclusive

Unacceptable risk
e.g. social scoring

Prohibited

High risk
e.g. recruitment, medical devices

Permitted subject to compliance with AI requirements and ex-ante conformity assessment

AI with specific transparency obligations
e.g. chatbots

Permitted but subject to information/transparency Obligations

Minimal or no risk

Permitted with no restrictions

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Most AI Systems will not be High-Risk (Titles IV, IX)

New transparency obligations for certain AI systems (Art. 52)

- **Notify humans** that they are **interacting with an AI system** unless this is evident
- Notify humans that emotional recognition or biometric categorisation systems are applied to them
- Apply **label to deep fakes** (unless necessary for the exercise of a fundamental right or freedom or for reasons of public interests)

Possible voluntary codes of conduct for AI with specific transparency requirements (Art. 69)

- No mandatory obligations
- Commission and Board to encourage drawing up of codes of conduct intended to foster the **voluntary application of requirements to low-risk AI systems**

High-risk Artificial Intelligence Systems (Title III, Chapter 1 & Annexes II and III)

1 **SAFETY COMPONENTS OF REGULATED PRODUCTS**

(e.g. medical devices, machinery) which are subject to third-party assessment under the relevant sectorial legislation

2 **CERTAIN (STAND-ALONE) AI SYSTEMS IN THE FOLLOWING AREAS**

- ✓ Biometric identification and categorisation of natural persons
- ✓ Management and operation of critical infrastructure
- ✓ Education and vocational training
- ✓ Employment and workers management, access to self-employment
- ✓ Access to and enjoyment of essential private services and public services and benefits
- ✓ Law enforcement
- ✓ Migration, asylum and border control management
- ✓ Administration of justice and democratic processes

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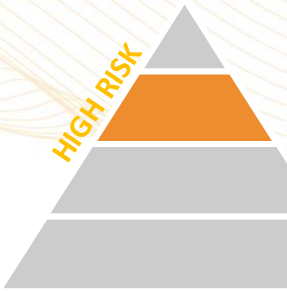
Requirements for high-risk AI (Title III, chapter 2)

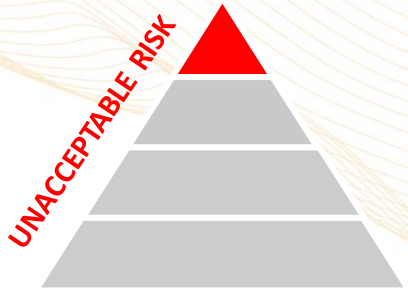


Establish and implement **risk management** processes

- Use high-quality **training, validation and testing data** (relevant, representative etc.)
- Establish **documentation** and design **logging** features (traceability & auditability)
  - for RBI applications - enhanced logging requirements
- Ensure appropriate degree of **transparency** and provide users with **information** (on how to use the system, its capabilities and limitations)
- Enable **human oversight** (measures built into the system and/or to be implemented by users)
  - Enhanced oversight for RBI applications - "Four eyes" principle
- Ensure **robustness**, **accuracy** and **cybersecurity**

NB! Harmonised technical standards developed by ESOs will support providers to demonstrate compliance

Prohibited AI practices (Title II, Art. 5)



- **Subliminal manipulation** resulting in physical/ psychological harm
- **Exploitation of vulnerabilities** resulting in physical/psychological harm
- **'Social scoring'** by public authorities
- **'Real-time' remote biometric identification for law enforcement purposes in publicly accessible spaces** (with limited exceptions)

- Set redlines what AI practices we don't want in Europe as **contrary to EU values and fundamental rights**
- Essential for preventing misuse of AI for **manipulative, exploitative and social control practices**
- **Deliberately narrow** to remain proportionate and not hinder innovation
- **Complementary to other existing EU legislation** (e.g. data protection, consumer protection, non-discrimination)

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Remote biometric identification (RBI) (Title II, Art. 5, Title III - Art. 6, Annex 3 (1)(a)

Prohibited <u>use</u> of real-time RBI systems for law enforcement purposes in publicly accessible spaces (Art. 5)

Limited exceptions permitted for :

- Search for victims of crime
- Threat to life or physical integrity or of terrorism
- Serious crime (EU Arrest Warrant)

Ex-ante authorisation by judicial authority or independent administrative body

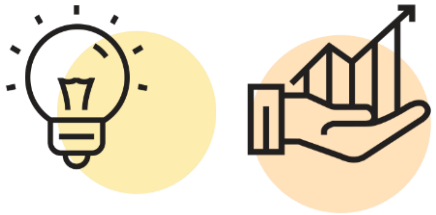
<u>Putting on the market</u> of RBI systems (real-time and post, public and private)

- **Requirements for high-risk systems**
- **Ex ante third party conformity assessment** by market surveillance authority
- Enhanced logging requirements
- "Four eyes" principle

Supporting Innovation (Title V)

Regulatory sandboxes Art. 53 and 54

Support for SMEs/start-ups Art. 55



Governance and Enforcement (Title VIII and IX)

National level

Key role for enforcement

- National Market Surveillance Authorities 
- Cooperation with other authorities responsible for enforcement of fundamental rights legislation

European level

Coordination of implementation and exchange

- European Artificial Intelligence Board 
- Commission to act as Secretariat 
- Expert Group* 

*Not foreseen in the regulation but the Commission intends to introduce it in the implementation process.

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Proposed AI Act – focus of discussion

General agreement on foundations, risk-based approach and reliance on standards

Parliament

extend the prohibitions and the high risk AI
protection of fundamental rights
legal redress

Council

no overregulation,
keep high-risk very targeted,
innovation (sandboxes)
needs of law enforcement authorities
national security and military exception

AI definition
General purpose AI
AI used by public authorities, governance, enforcement

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Timeline for the AI Act

COM proposal for an AI Act

- Trilogues (EP, Council and COM)
- **Possible Adoption of the AI Act**

- Council and Parliament adopt their positions

The AI Act may become directly applicable
(end of transitional period)

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Thank you