

**REGULATION OF THE EUROPEAN PARLIAMENT
AND OF THE COUNCIL**

**LAYING DOWN HARMONISED RULES ON
ARTIFICIAL INTELLIGENCE (ARTIFICIAL
INTELLIGENCE ACT) AND AMENDING CERTAIN
UNION LEGISLATIVE ACTS**

EU Artificial Intelligence Act

Purpose



Establish:

- Harmonized rules for the placing on the market, the putting into service and the use of artificial intelligence systems ('AI systems') in the Union
- Prohibitions of certain artificial intelligence practices
- Specific requirements for high-risk AI systems and obligations for operators of such systems
- Harmonized transparency rules for AI systems intended to interact with natural persons, emotion recognition systems and biometric categorization systems, and AI systems used to generate or manipulate image, audio or video content
- Rules on market monitoring and surveillance

EU Artificial Intelligence Act

Scope



- Providers placing on the market or putting into service AI systems in the Union, irrespective of whether those providers are established within the Union or in a third country
- Users of AI systems located within the Union
- Providers and users of AI systems that are located in a third country, where the output produced by the system is used in the Union
- Not apply to AI systems developed or used exclusively for military purposes
- Not apply to public authorities in a third country nor to international organizations falling within the scope of this Regulation pursuant to paragraph 1, where those authorities or organizations use AI systems in the framework of international agreements for law enforcement and judicial cooperation with the Union or with one or more Member States

EU Artificial Intelligence Act Provisional Agreement



On December 9, 2023 Negotiators of the EU and the 27 Member States reached a provisional agreement on the wording of the AI Act

What is new in the AI Act in the provisional agreement reached?

- Rules on high-impact general-purpose AI models that can cause systemic risk in the future, as well as on high-risk AI systems
- A revised system of governance with some enforcement powers at EU level extension of the list of prohibitions but with the possibility to use remote biometric identification by law enforcement authorities in public spaces, subject to safeguards
- Better protection of rights through the obligation for deployers of high-risk AI systems to conduct a fundamental rights impact assessment prior to putting an AI system into use

EU Artificial Intelligence Act Provisional Agreement



What is new in the AI Act in the provisional agreement reached?

Amended the list of intrusive and discriminatory uses of AI systems. The list now includes:

- “Real-time” remote biometric identification systems in publicly accessible spaces;
- “Post” remote biometric identification systems, with the only exception of law enforcement for the prosecution of serious crimes and only after judicial authorization;
- Biometric categorisation systems using sensitive characteristics (e.g. gender, race, ethnicity, citizenship status, religion, political orientation);
- Predictive policing systems (based on profiling, location or past criminal behaviour);
- Emotion recognition systems in law enforcement, border management, workplace, and educational institutions; and
- Indiscriminate scraping of biometric data from social media or CCTV footage to create facial recognition databases (violating human rights and right to privacy)

Provisional Agreement

Key Provisions in Updated AI Act



- Imposes legally binding rules requiring tech companies to notify people when they are interacting with a chatbot or with biometric categorization or emotion recognition systems
- Requires tech companies to label deepfakes and AI-generated content, and design systems in such a way that AI-generated media can be detected
- Requires all organizations that offer essential services, such as insurance and banking, to conduct an impact assessment on how using AI systems will affect people's fundamental rights
- Requires foundation models and AI systems built on top of them to draw up better documentation, comply with EU copyright law, and share more information about what data the model was trained on
- Tech companies have to share how secure and energy efficient their AI models are
- Applies a stricter set of rules to only the most powerful AI models, as categorized by the computing power needed to train them
- Enforces binding rules on AI
- The AI Act's governance mechanism includes a scientific panel of independent experts to offer guidance on the systemic risks AI poses, and how to classify and test models

Provisional Agreement

Key Provisions in Updated AI Act



- The fines for noncompliance are steep: from 1.5% to 7% of a firm's global sales turnover, depending on the severity of the offense and size of the company.
- EU citizens will be able to launch complaints about AI systems and receive explanations about how AI systems came to the conclusions that affect them
- Some AI uses are now completely banned in the EU:
 - biometric categorization systems that use sensitive characteristics;
 - untargeted scraping of facial images from the internet or CCTV footage to create facial recognition databases like Clearview AI;
 - emotion recognition at work or in schools;
 - [social scoring](#);
 - AI systems that manipulate human behavior;
 - and AI that is used to exploit people's vulnerabilities.
- [Predictive policing](#) is also banned, unless it is used with "clear human assessment and objective facts, which basically do not simply leave the decision of going after a certain individual in a criminal investigation only because an algorithm says so

Provisional Agreement

Key Provisions in Updated AI Act



- The AI Act does not apply to AI systems that have been developed exclusively for military and defense uses
- European police forces will only be able to use biometric identification systems in public places if they get court approval first, and only for 16 different specific crimes, such as terrorism, human trafficking, sexual exploitation of children, and drug trafficking
- Law enforcement authorities may also use high-risk AI systems that don't pass European standards in "exceptional circumstances relating to public security"

EU Artificial Intelligence Act

What Will Happen Next



- Following the provisional agreement, work will continue at technical level in the coming weeks to finalize the details of the new regulation
- The presidency will submit the compromise text to the member states' representatives for endorsement once this work has been concluded.
- The agreed text will have to be formally adopted by both Parliament and Council to become EU law.
- The Artificial Intelligence Act will become law 20 days after its publication in the Official Journal of the European Union (the official publication for EU legal acts, other acts and official information from EU institutions, bodies, offices and agencies).
- This will likely happen during the summer of 2024 (although I read other estimates that this will happen in 2025)
- Once it is in force, tech companies have two years to implement the rules. The bans on AI uses will apply after six months, and companies developing foundation models will have to comply with the law within one year