

Al Act: <u>key takeaways</u>

Applicability the basics



- AI: OECD definition
- **Scope**: organisation within and outside of the EU
- **Exempted**: national security, militrary and defence, R&D and open source
- **Compliance due**: within 6-24 months





Risk based approach unacceptable > high > limited > minimal

When is the AI prohibited? unacceptable risk

- Social credit scoring
- Exploitation of vulnerabilities (including age or disability)
- Behavioural **manipulation** or manipulation of free will
- Emotion detection at the workplace or educational settings
- Untargeted **scraping** of facial images for facial recognition purposes
- Applications for predictive policing (some excluded)
- **Biometric categorisation** systems
- using sensitive characteristics Law and enforcement use of real-time biometric identification in public



When is the AI high risk? conformity assesment needed

- **Emotion recognition** applications (excluding workplace and educational
- Biometric identification technologies
- Vehicles and transportation systems
- **Medical devices**
- Recruitment, human resource and workforce management
- Education and vocational training systems
- Law enforcement, border security, migration and asylum
- Access to specific services (including insurance, banking, credit, and other (public) benefits)
- Administration of justice
- Specific products and their safety components



Key requirements HRAI

- Assessment of impact on **fundamental** rights and conformity evaluation
- · Register in a public EU-database for
- Establishment of risk and quality management systems
- Data governance measures, including bias reduction and representative training data
- Enhanced transparency, usage instructions, system limitations, and technical documentation
- supervision, encompassing explainability, auditable logs, human-in-the-loop
- Ensuring accuracy, robustness, and cybersecurity, including system testing and continuous monitoring



General purpose Al also called 'GPAI'

- Specific requirements for GPAI and foundation models
- Full **transparency** for **all** GPAI implementations: e.g. with technical documentation, executive summaries, and safeguards for intellectual propertyrights
- Extra requirements for high-impact models with systemic risks: such as model evaluations, comprehensive risk assessments, adversarial testing, and mandatory incident reporting
- For generative AI: mandatory disclosure making sure that individuals know when they are interacting with Al systems (such as chatbots). Al-content must be clearly **labeled** and made detectable (e.g. in the case of deepfakes)



Fines and enforcement in case of non-compliance

- **Prohibited** Al violations: up to 7 % of global annual turnover or €35 million
- Other violations: up to 3% of global annual turnover or €15 million
- Spreading incorrect information: up to 1.5% of global annual turnover or €7.5 million
- **Limit** on fines for SMEs and startups
- European Al Office and Al Board (at central EU level)
- Market surveillance authorities in EU countries
- Any individual can make complaints

about non-compliance







