



The EU AI Act: State Of Play

Nicolas Moës, Director for European AI Governance, The Future Society

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A Word From Today's Chairwoman

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Today's Agenda

- 12:00 – 12:05 Chairwoman's Introduction
- 12:05 – 12:25 Keynote Presentation – Nicolas Moës
- 12:25 – 12:45 Question & Answer

To what extent do you know the AI Act?

- I have not heard about the AI Act before this event
- I have heard a bit about the AI Act but I am not following the debate
- I have heard about the AI Act and I know it's rough content
- I have heard a lot about the AI Act and I actively following the debate



Today's Speaker

Nicolas Moës

Director for European AI Governance

The Future Society

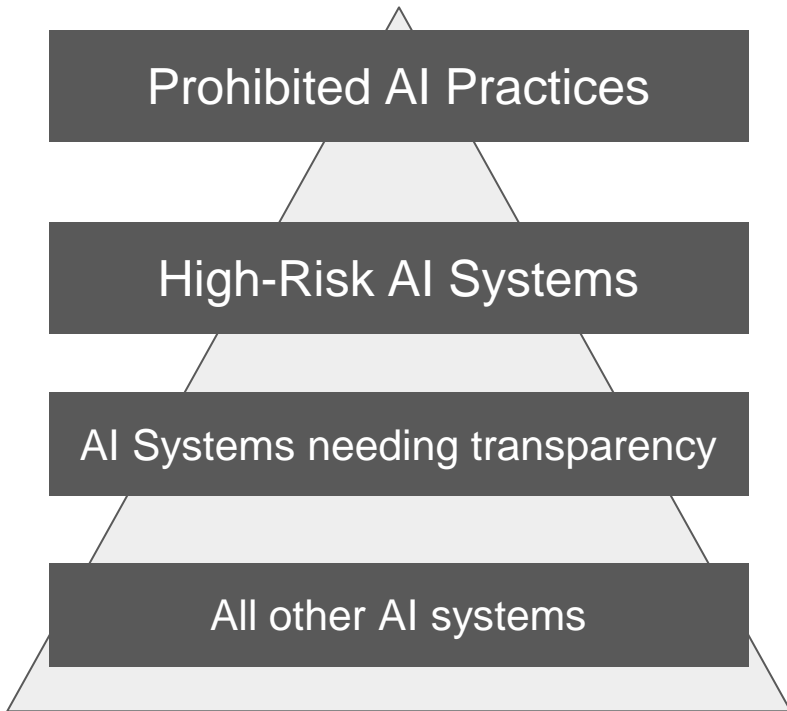


EU AI Act

State of Play

Prepared by Nicolas Moës

AI Act's "pyramid"



Title II	Cannot be placed on market, put into service or use	<ul style="list-style-type: none"> Harm-inducing subliminal techniques Techniques exploiting vulnerable groups Public biometric IDing & social scoring
Title III	Broad range of obligations (risk management, quality, human oversight, ...)	<ul style="list-style-type: none"> AI systems that are safety components of already regulated products 21 use cases listed in 8 areas of application
Title IV	Inform users of AI presence	<ul style="list-style-type: none"> Systems intended to interact with natural persons (unless obvious) Emotion recognition systems DeepFake (audio, video, image)
-	Encouraged to voluntary comply with Title III	<ul style="list-style-type: none"> AI defined as software using ML, logic/knowledge-based or statistical approaches generating outputs influencing environment for human-given objectives

NB: "pyramid" because each level applies to much fewer AI "use cases" than the level below.

AI Act's high-risk system requirements

Providers of high-risk AI systems shall (Art 16)

1. Ensure the AI system is Title III Chap. 2 compliant
 - a. Take corrective action otherwise (Art 21)
 - b. Inform national authorities of non-compliance (Art 22)
2. Have a quality management system (Art 17)
3. Draw up tech documentation (Art 11, 18)
4. Preserve logs generated by the system (Art 20)
5. Ensure the system undergoes conformity assessment (Art 19)
6. Register the system (Art 51)
7. Affix the CE marking (Art 29)
8. Demonstrate Title III Chap. 2 conformity upon request (Art 23)

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1. Risk management system (Art 9)
 2. Data & Data Governance (Art 10)
 3. Tech documentation (Art 11, Annex IV)
 4. Record Keeping (Art 12)
 5. Transparency & information to users (Art 13)
 6. Human oversight (Art 14)
 7. Accuracy, Robustness, Cybersecurity (Art 15)

And for non-EU providers, nominate an Authorised Representative established in the EU (Art 25)

The AI Act's is one of many digital policies

1. GDPR
 - a. General Data Protection Regulation
 - b. Protecting citizens' privacy
2. DSA
 - a. Digital Service Act
 - b. Making intermediary, hosting, platform services accountable
3. DMA
 - a. Digital Market Act
 - b. Making dominant digital players accountable
4. DGA & Data Act
 - a. Data Governance Act & Data Act
 - b. Instauring data sharing & re-use
5. GPSR
 - a. General Product Safety Regulation update for AI and IoT technologies
 - b. Ensuring AI systems are safe for consumers
6. PLD
 - a. Product Liability Directive update
 - b. Extending liability rules to AI software

Penalties: AI Act

<p>30 mn€</p>	<p>Or 6% yearly turnover, whichever is higher</p>	<ul style="list-style-type: none"> • Placing onto market of prohibited practices • Or violation of data governance requirements
<p>20 mn€</p>	<p>Or 4% yearly turnover, whichever is higher</p>	<ul style="list-style-type: none"> • Violations by high-risk systems of any requirement other than data governance
<p>10 mn€</p>	<p>Or 2% yearly turnover, whichever is higher</p>	<ul style="list-style-type: none"> • Supply of incorrect or incomplete information at request authorities • Supply of misleading information to authorities on request

State of Play - overall

- Trade organisations to set standards for the EU AI Act.
- Council of the EU: is about to finish its compromise text
- European Parliament: after long “Competency fight”, IMCO & LIBE in charge, finishing their compromise text in 2023H1
- Many open issues remain: definition of AI system, general purpose AI systems, high-risk categorisation, ...
- Current best guesses indicate co-legislative agreement could be reached by 2023Q3 (optimistic) or 2024Q4 (pessimistic)
- 2-year grace period before application (duration still debated)

So what? Situation

- You lead a business or a department, “ABC”
- In an industry that matters to society beyond markets
- GDPR compliance ✓
- Solid data strategy ✓
- Successful digitalisation ✓
- Thanks to your leadership, initiating the AI transition and smart automation of some processes



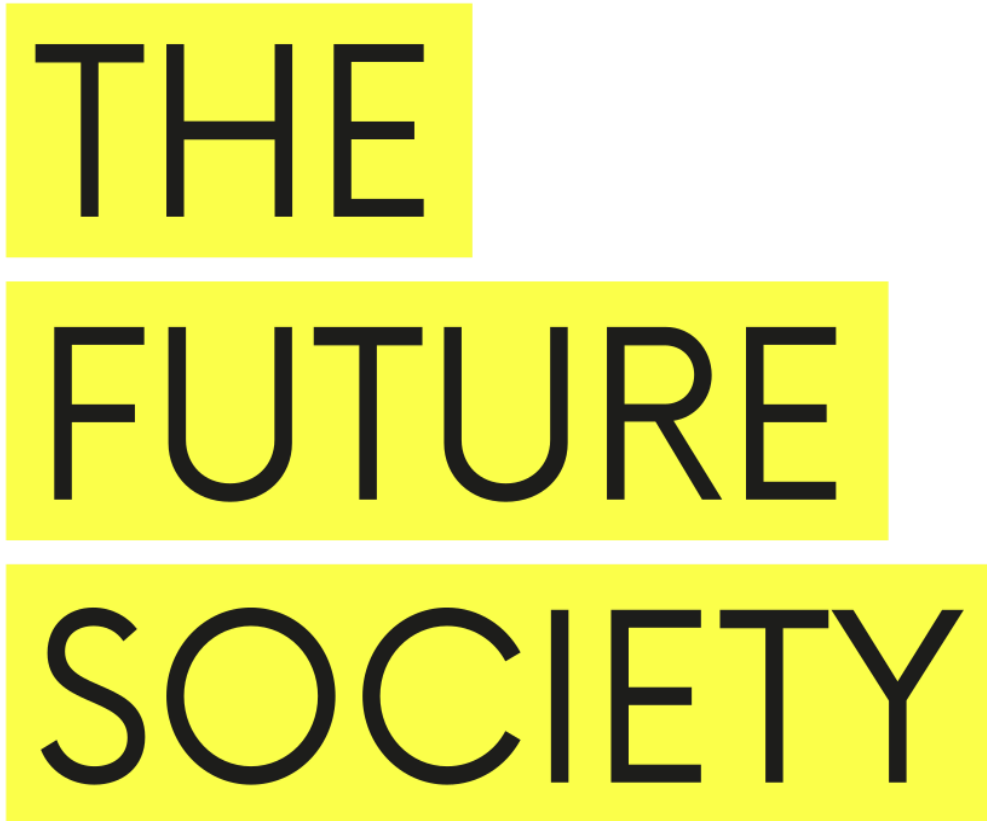
So what? Situation

- Unless good controls and expertise internally, some risks:
 - “Public outcry against [ABC]’s automatically denying job interviews to non-Londoners”
- Or ...
 - “Enquiry into [ABC]’s data practices following customers’ reports of price discrimination.”
- Regardless of liability, feeling a bit anxious about this. With the AI Act, this turns into more than PR, but will involve Legal if some of these customers or applicants are EU citizens.

So what? Situation

- And of course, the reverse:
- Imagine being quietly victim of systematic discrimination for energy billing or with for supplier's customer service's level of care.
- Imagine platforms downranking your business' job postings, or them being advertising only to "leftover" job seekers because the platform's algorithm categorizes you as lower-tier customer.
- The AI Act, with its stringency, would help gaining more trust that these practices be somewhat governed.

Thank you - if you want to support our work



*“Aligning Artificial Intelligence
through better governance”*

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Comments, Questions & Answers





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Forthcoming Events

- Wed, 09 Nov (16:00-16:45) Stablecoins: Crypto's Killer App? Or Killer Of Crypto's Investors?
- Mon, 14 Nov (16:00-16:45) Chile Issues The Worlds First Sustainability-Linked Policy Performance Bond
- Tue, 15 Nov (11:00-11:45) Education In A Time Of Emergency: A Curriculum For The Anthropocene
- Wed, 16 Nov (15:00-15:45) Why Employee Share Ownership Matters

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