

EU AI Act: Overview



THE BASICS

The EU AI Act is a regulatory framework proposed by the European Commission to ensure that artificial intelligence (AI) systems used within the EU are safe, transparent, and respect fundamental rights. It categorizes AI systems into different risk levels and sets out obligations for providers and users of these systems. The goal is to foster trust in AI technologies while protecting citizens from potential harm.

CATEGORIES

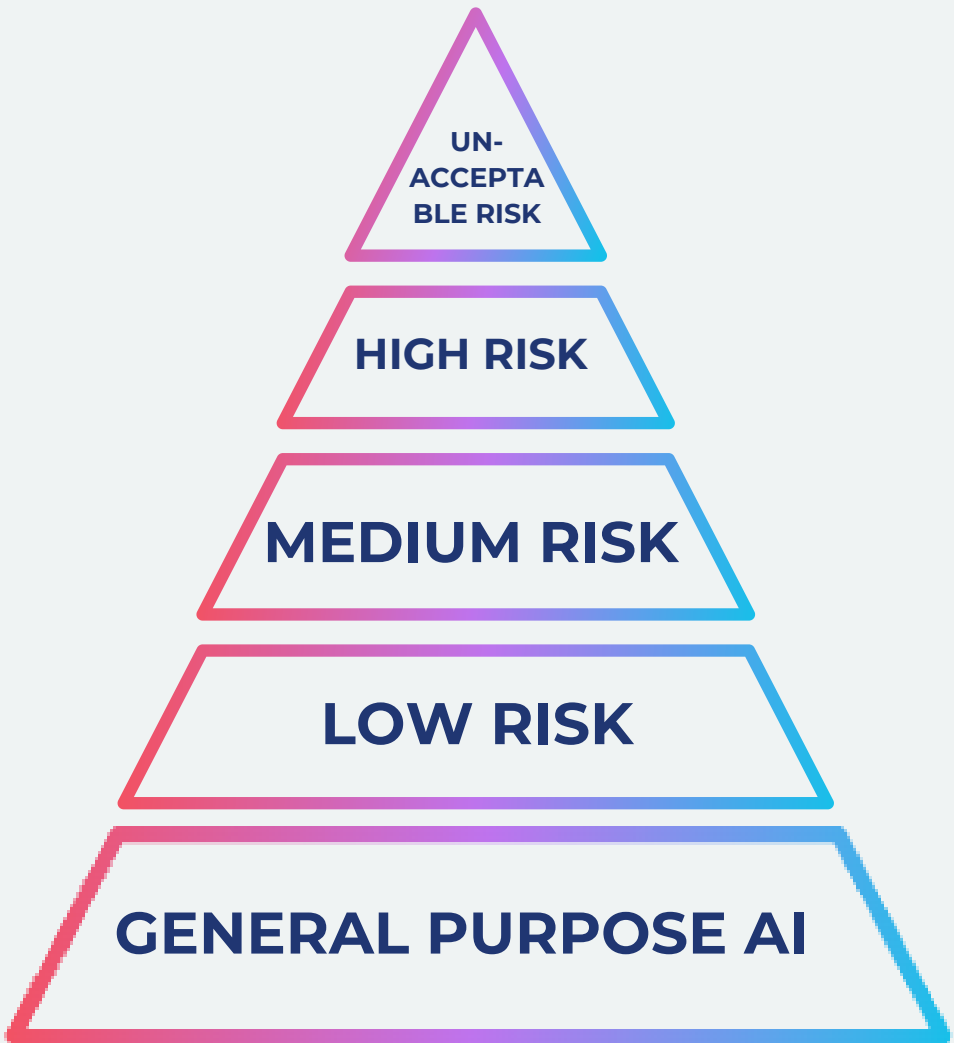
Unacceptable Risk > Prohibited: Systems that are deemed to pose unacceptable risks, and are therefore banned.

High Risk: Due to their potential impact on safety or fundamental rights, these AI systems must comply with security, transparency and quality obligations, and undergo conformity assessments.

Medium Risk: Only have transparency obligations.

Low Risk: Subject to the least / no regulatory oversight.

General-purpose AI: Special category added in 2023; includes foundation models like ChatGPT. Transparency requirements. High-impact general-purpose AI systems which could pose systemic risks must undergo evaluation process.



PROHIBITED

- **Social Scoring:** AI systems used by public authorities to evaluate or score the trustworthiness of individuals based on their behavior or other factors.
- **Manipulative Techniques:** AI systems that exploit vulnerabilities of specific groups (e.g., children, disabled persons) to distort their behavior in a manner that causes or is likely to cause harm.
- **Real-time Remote Biometric Identification:** AI systems used in public spaces for law enforcement purposes, except under certain narrowly defined exceptions.

HIGH RISK

- **AI in Critical Infrastructures:** Systems that could endanger life and health, such as AI controlling water supply or electrical grids.
- **AI in Education and Vocational Training:** Systems determining access to education or influencing a person's professional opportunities.
- **AI in Law Enforcement:** Predictive policing tools, AI used for assessing the risk of individuals reoffending.
- **AI in Employment:** AI systems used for recruitment, task allocation, or evaluating employees' performance.
- **AI in Essential Public and Private Services:** AI systems determining access to essential services such as credit scoring systems used for loan applications.

GENP AI

- **Transparency Obligations:** GenAI systems must disclose that content is AI-generated.
- **Risk Management:** Providers must conduct thorough risk assessments, ensuring the system doesn't produce harmful outputs.
- **Data Governance:** Strict data management practices to ensure that training data complies with EU standards, particularly around personal data.

PENALTIES

- **Fines for Non-Compliance:** Penalties for non-compliance can be up to €30 million or 6% of the company's total worldwide annual turnover, whichever is higher.
- **Fines for Providing Incorrect Information:** Penalties up to €10 million or 2% of the total worldwide annual turnover.

CHECKLIST

STEPS TO COMPLIANCE FOR BUSINESSES

1. **Risk Assessment:** Conduct an assessment to categorize your AI systems according to AI Act's risk levels.
2. **Documentation and Transparency:** Ensure your AI systems are well-documented, and the processes are transparent to users.
3. **Data Management:** Implement strict data governance policies, ensuring data used in AI systems complies with GDPR and other relevant regulations.
4. **Human Oversight:** Establish mechanisms for human oversight in the operation of high-risk AI systems.
5. **Incident Reporting:** Set up procedures for reporting incidents related to AI system malfunctions or harms.
6. **Regular Audits:** Perform regular audits of your AI systems to ensure ongoing compliance with the EU AI Act.
7. **Training and Awareness:** Provide training for your team on the EU AI Act requirements and best practices for AI governance.

RESOURCES

- EU AI Act Explorer: artificialintelligenceact.eu/ai-act-explorer/
- EU AI Act Compliance Check: artificialintelligenceact.eu/assessment/eu-ai-act-compliance-checker/

Need to know more? Go to [AI-SEALS.COM](https://ai-seals.com)

✉ Send a mail to info@ai-seals.com

📞 Book a videocall calendly.com/ai-seals

