

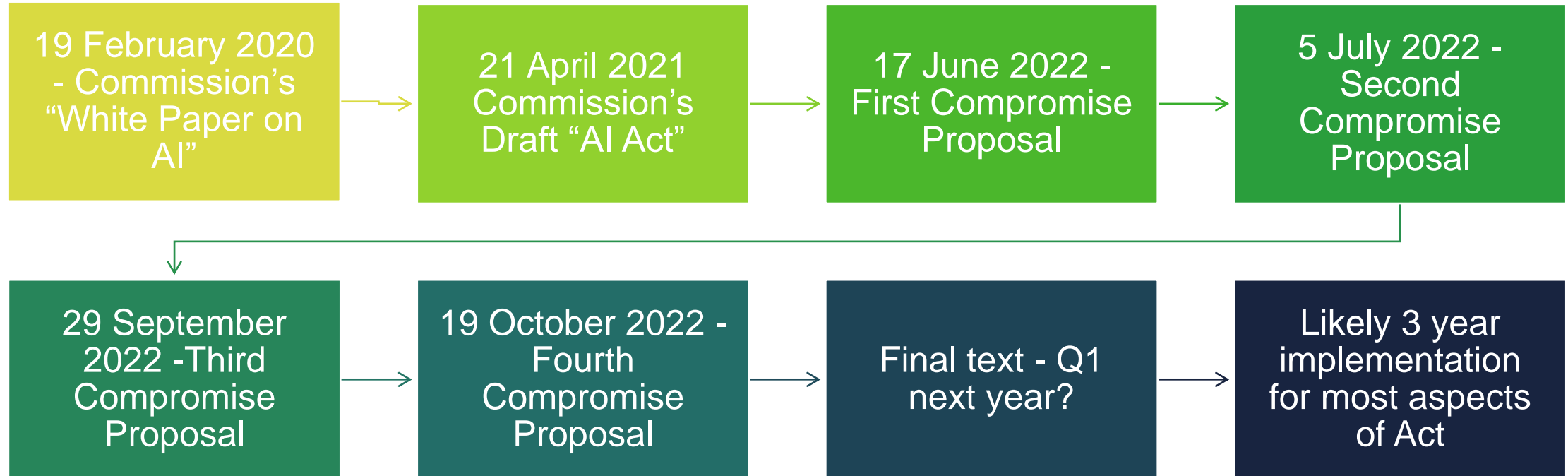


AI Regulatory Headwinds

Imran Syed, Partner

AI Act - an update

One year on...



What does the regulation cover?



High Risk AI

What is High Risk AI – A reminder

Biometric
identification and
categorisation of
natural persons

Management and
operation of critical
infrastructure

Education and
vocational training

Employment,
workers
management and
access to self-
employment

Access to and
enjoyment of
essential private
services and public
services and benefits

Law enforcement

Establishing
creditworthiness of
natural persons

Administration of
justice and
democratic
processes

The AI System is a safety component of products/products themselves governed by the Union Harmonisation Legislation

Some Key Changes from the EU

- **General Purpose AI:**
 - Large models that can be used for lots of different use cases
 - Are treated by the act in their own right.
 - Will have to comply with some of the requirements applicable to high risk vendors
 - This includes an obligation to cooperate with high risk operators
- **New High Risk activities:**
 - Safety components in critical digital infrastructure
 - AI used for risk assessment in insurance products
- **Transparency:**
 - Some new leeway for evidently creative works – so as not to impinge on arts
- **Biometric Identification:**
 - some tailoring of the definition – to clarify that it relates to “remote” technologies

AI System - Original

All Encompassing?

“Software that is developed with one or more of the techniques and approaches listed in Annex I and can, for a given set of human-defined objectives, generate outputs such as content, predictions, recommendations, or decisions influencing the environments they interact with”

Annex 1: (Artificial Intelligence Techniques and Approaches) lists:

Machine learning approaches, including supervised, unsupervised and reinforcement learning, using a wide variety of methods including deep learning;

Logic- and knowledge-based approaches, including knowledge representation, inductive (logic) programming, knowledge bases, inference and deductive engines, (symbolic) reasoning and expert systems;

Statistical approaches, Bayesian estimation, search and optimization methods.

AI System - New

Any narrower?

*“means a system that is designed to operate with **elements of autonomy** and that based on machine and/or human provided data and inputs **infers** how to achieve a given set of objectives using machine learning and/or logic- and knowledge based approaches and produces system-generated outputs such as content (generative AI systems), predictions, recommendations or decisions, influencing the environments with which the AI system interacts”*

Annex 1: (Artificial Intelligence Techniques and Approaches) lists:

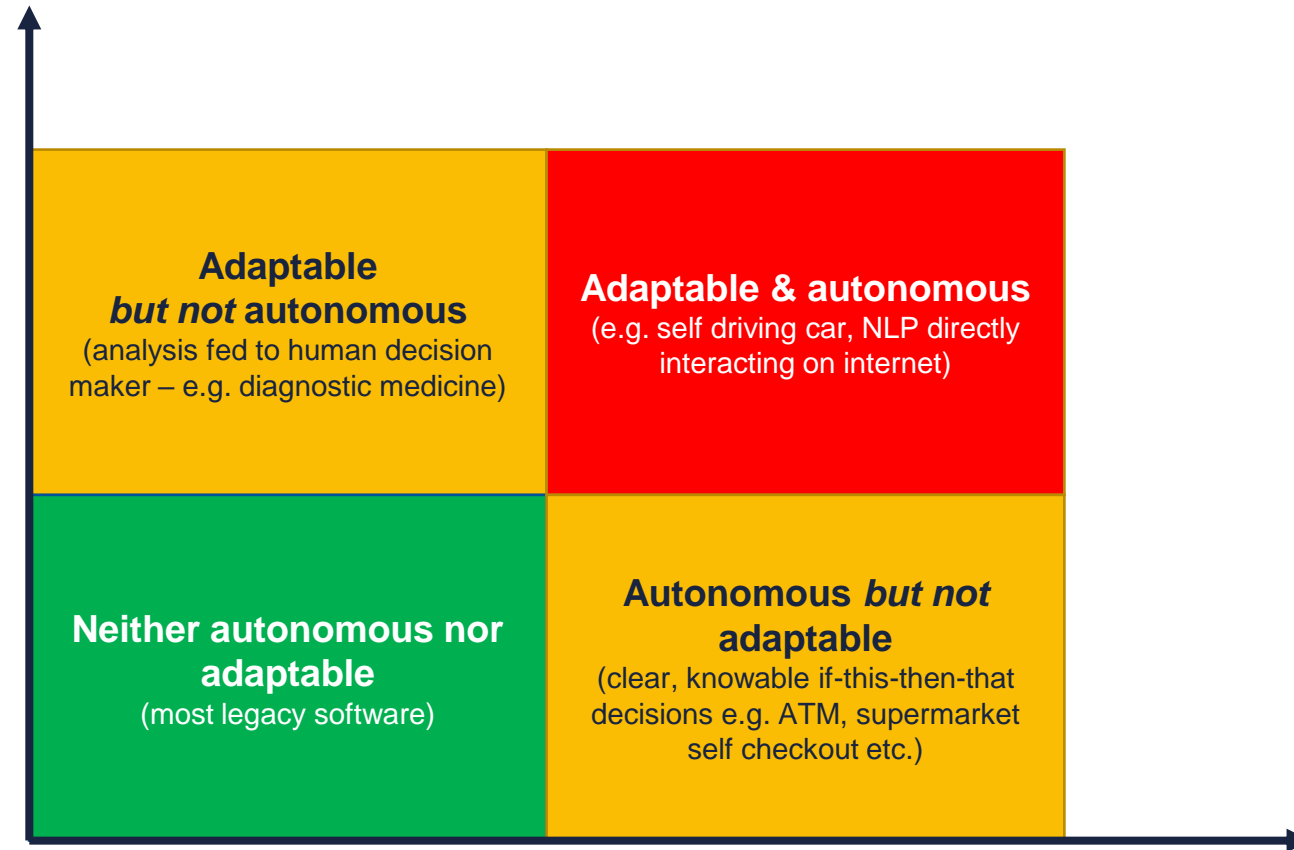
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Regulating AI : UK definition

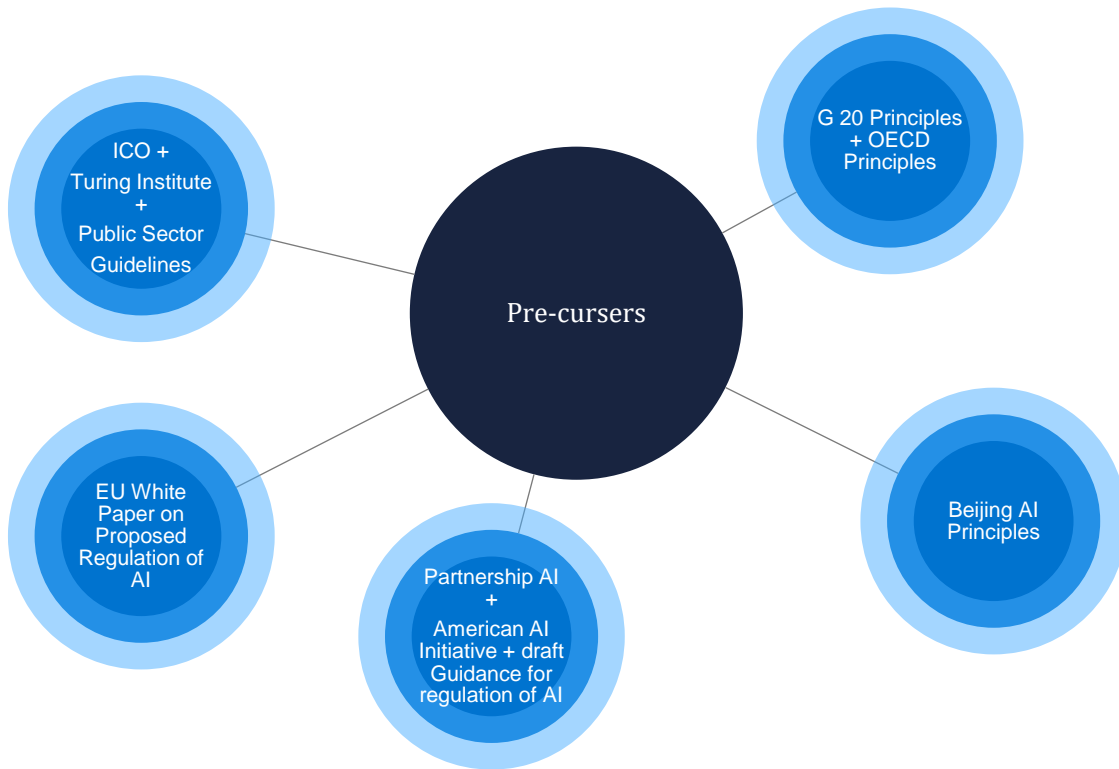
More adaptable = greater risk that machine will be unknowable. Potential for unexpected emergent properties or behaviours



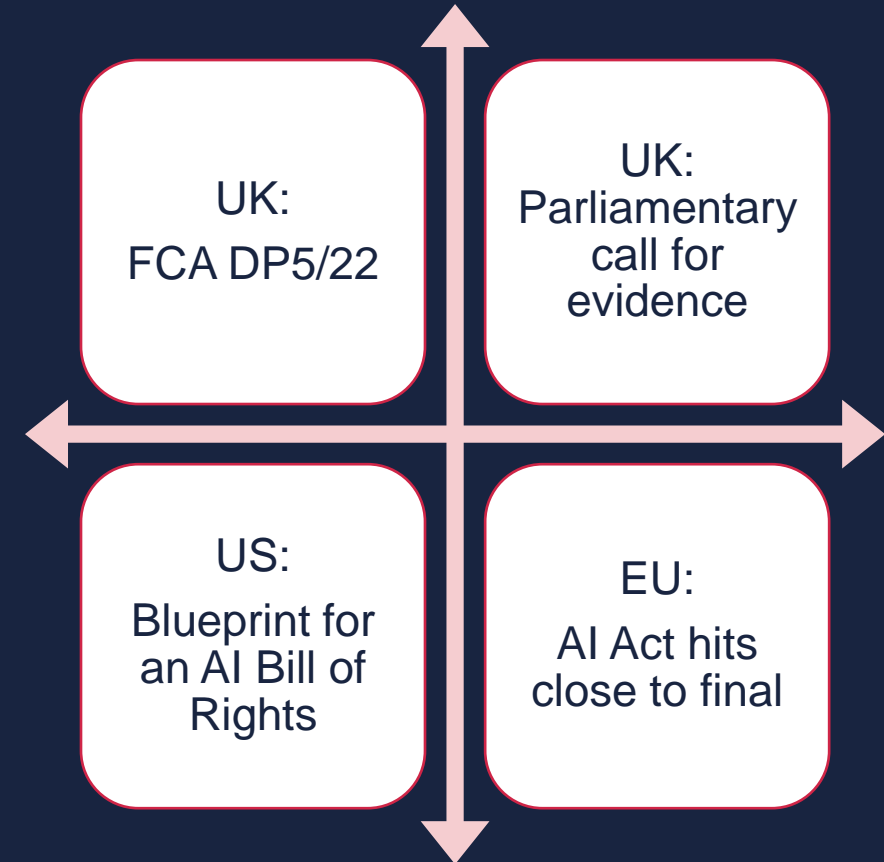
More autonomous = greater risk that harms will arise without oversight. Potential for incorrect decisions to go unchallenged

Complexity of Regulation

Pre-cursors to hard law



The gap widens?



What does this mean for business?

Establish AI programme team and exec sponsor

Requirements Mapping

Develop repository of core AI requirements.

Policies and Procedures

Policies and Procedures – create AI policy framework. Including training and awareness raising.

Governance and Oversight

Governance and Oversight – design and implement. Consider creating ethics committee or working group with advisory role.

Accountability

Accountability – create an accountability framework including AI risk assessments and record of AI use. Linkage to governance. AI key metric reporting.

Questions?



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