



Session #1

From Regulation to Innovation – AI regulation in the EU, UK and worldwide

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Host: Thanos Rammos

11 July 2023

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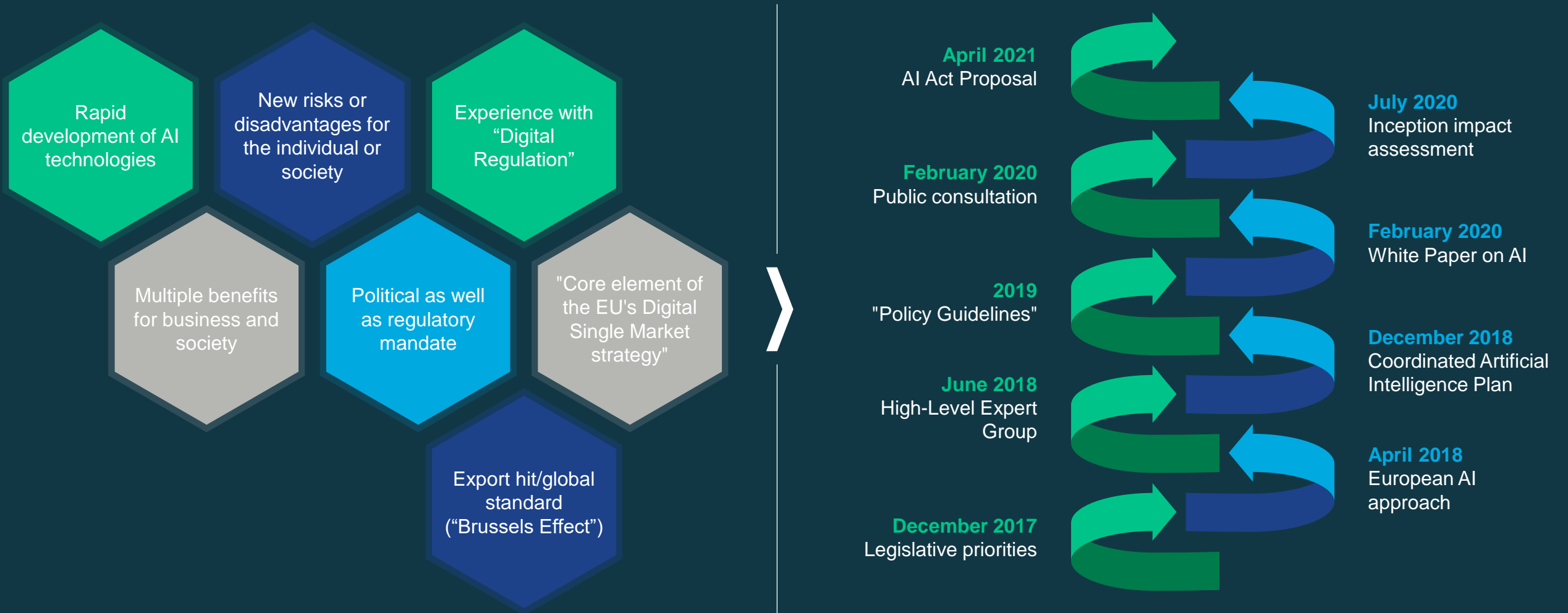
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AI regulation in Germany & the EU

Why regulate (AI) – EU perspective



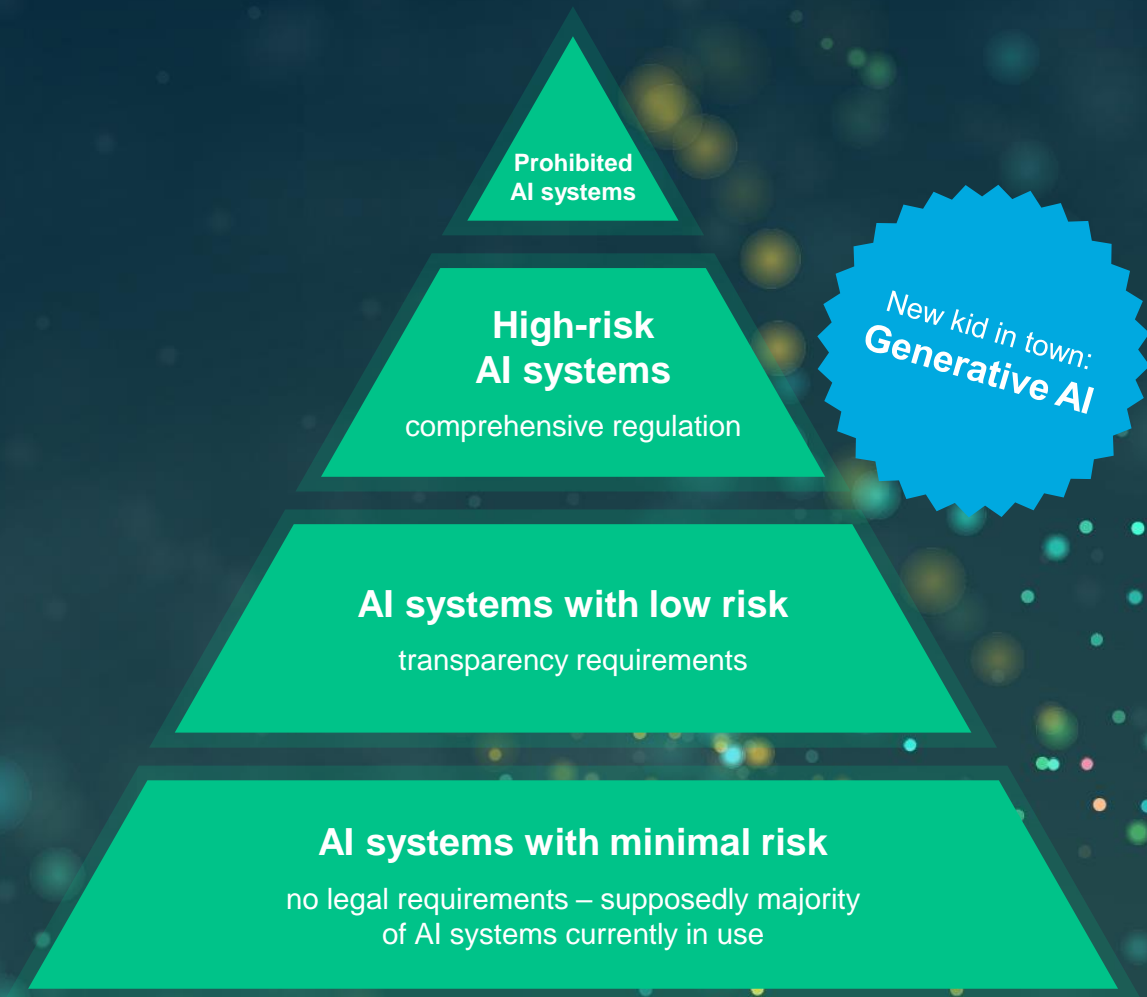
How to regulate – Main focus: AI Act

Objectives of the AI Act

- Ensuring the fundamental rights and values of the EU.
- Promoting innovation through legal certainty.
- Strengthening governance.
- Creation of a harmonised internal market.

Fundamental framework of the AI Act

- „Tech law“ (software regulation).
- „Product law“ (New Legislative Framework).
- AI Governance.
- „Layered approach“ – implementation of „risk categories“ and corresponding graduation of obligations.
- Distinction between various categories of obligated parties.



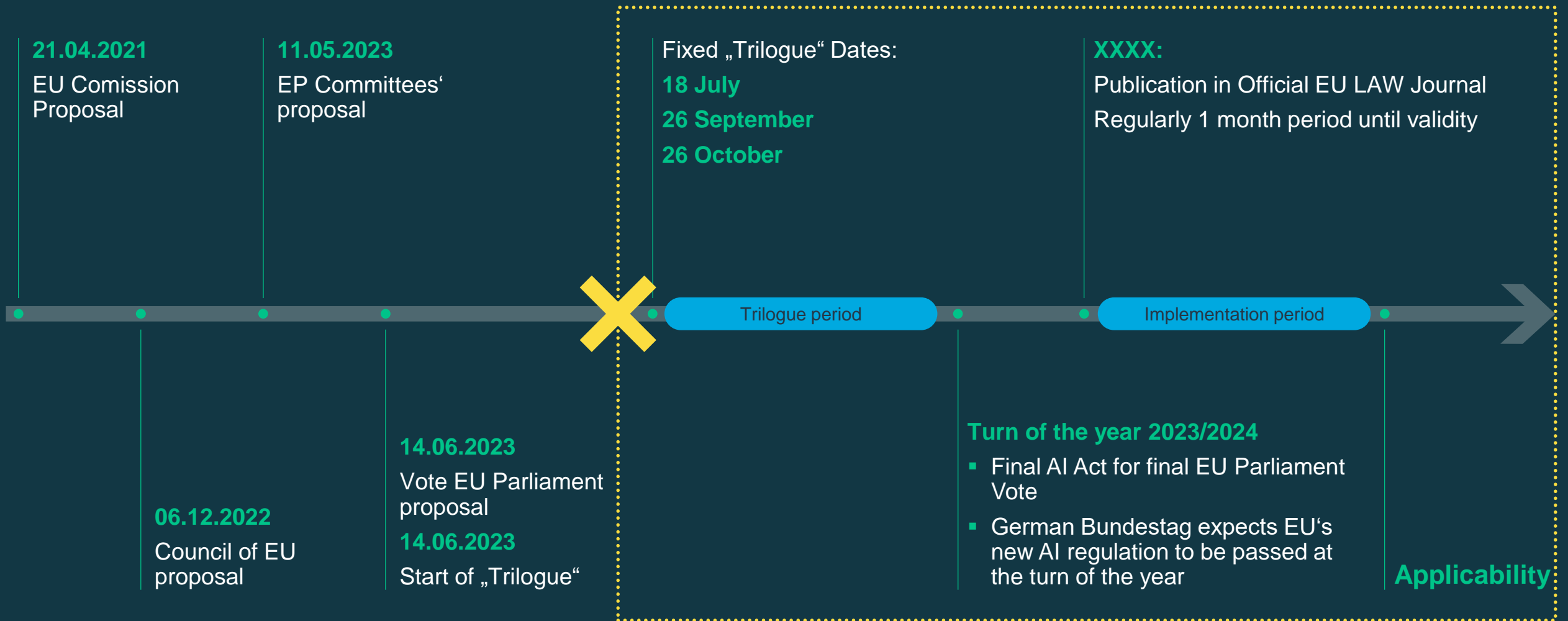
AI Act as „gold standard“?



AI Act constitutes

- Even if separated into risk-categories: Comprehensive regulation and direct statutory obligations.
- **Forbidden** AI systems.
- Whole “supply chain” and “product lifecycle” impact.
- “Market surveillance authorities” play established role in NLF approach.
- High fines in case of non-compliance.
- National AI authorities as enforcement administration.
- “AI regulatory sandbox” with comparably limited scope.
- Foreseen EU AI Governance body with rather consultation function.

Next steps





AI Regulation in China: Another Racing?

Promotion + Regulation



Roadmap - Next Generation Artificial Intelligence Development Plan (Jul. 20, 2017)



Step 1: until 2020

Keeping pace with the advanced development in the world, while AI becomes a booster for economy growth, including (among others)

Optimized development environment for AI, with good ethical norms and regulatory framework built up in certain areas.



Step 2: until 2025

Major breakthrough in basic AI theories and leading position in part of the technology and applications, with AI becoming major booster for industrial upgrade and economy pattern switch.

Establishment of a preliminary legal, ethical and policy framework to regulate AI with competence to assess security and manage.

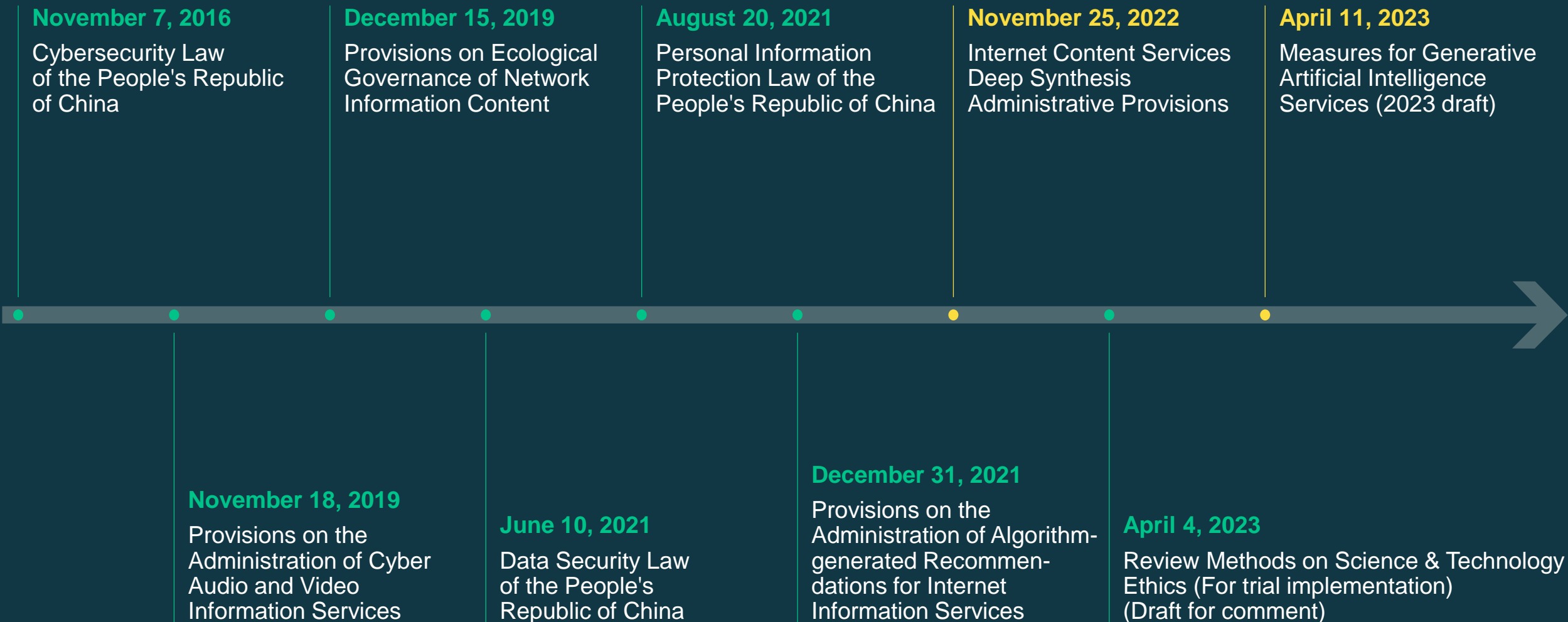


Step 3: until 2030

Leading role in the world and a major AI innovation center of the world with obvious achievement of intelligent economy and society.

A further improved legal, ethical and policy framework for AI regulation.

Regulations by Date of Promulgation



Existing Rules



General Rules

Cyber Security Law ▪ Data Security Law ▪ Personal Information Protection Law ▪ others

AI Rules

- **Internet Content Services Deep Synthesis Administrative Provisions**
互联网信息服务深度合成管理规定
(effective: Jan. 10, 2023)
Coverage: those using deep synthesis technology to provide internet content services in mainland China
- **Measures for Generative Artificial Intelligence Services (2023 draft)**
生成式人工智能服务管理办法 (征求意见稿)
Coverage: service providers offering products to users in mainland China

Real ID verification

Addiction prevention

Censorship required

IP protection and data protection

Not jeopardizing national security

Protection of privacy and avoid misuse



AI regulation in the USA

US: Begin By Thinking Beyond Regulation



Main concerns

- Unfairness
- Deception

Method protected

- FTC Act (Section V)
- State UDAAP laws

How explained with new developments

- Regulators issue “guides”
- White house involvement
- Industry recommendations and guidelines

Risks

- Regulators enforce at federal or state level
- PRIVATE RIGHT OF ACTION

In sum

- Existing tools to enforce
- Active class action bar

US: AI-Specific “Regulation”



Intellectual Property

US Copyright Office

- No ownership of content not created by a human



Discrimination

FTC Guidance ([2020](#), [2022](#), [2023](#))

- Be transparent
- Be fair
- Be accurate
- Be accountable
- Other federal agencies as well

States

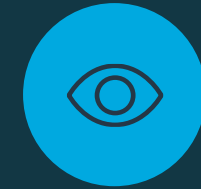
- “Comprehensive” laws (dark patterns)
- CT – for state agencies, assess systems, avoid bias



NY AI law (passed 2021, effective July 5, 2023)

- Notice of AI in employment
- Ability to opt-out
- Audit systems for bias

NIST activity



Privacy

White House Blueprint

- Not law, recommendations
- Agencies may or may not follow
- *Inter alia*, recommends getting permission for use of personal information in data sets
- Incorporates concepts of notice and choice
- Give people access to human

FTC Section V

- Give notice, choice of information use



US: What's Next?



Intellectual Property

- Clarify ownership of generated content
- Ensure no infringement of input into generated content
- *How? Business processes combined with case law/Copyright Act amendments?*



Discrimination

- Protect individuals from negative outcomes
- Significant activity expected in employment space
- Other places where use risks “legally significant” impact
- *How? Likely the most activity will occur here (it has to-date)*



Privacy

- Protect information from going into data sets
- *How? UDAAP and regulations at state level (whether “comprehensive” laws or AI-specific)*



The UK approach to regulating AI

The pro-innovation approach



In July 2022, UK Government set out that it's approach would be:

- **Context-specific** - we will acknowledge that AI is a dynamic, general purpose technology and that the risks arising from it depend principally on the context of its application.
- **Pro-innovation and risk-based** - we will ask regulators to focus on applications of AI that result in real, identifiable, unacceptable levels of risk, rather than seeking to impose controls on uses of AI that pose low or hypothetical risk so we avoid stifling innovation
- **Coherent** - we will ensure the system is simple, clear, predictable and stable.
- **Proportionate and adaptable** - we will ask that regulators consider lighter touch options, such as guidance or voluntary measures, in the first instance.

In contrast to the EU approach...

The EU has grounded its approach in the **product safety regulation** of the Single Market, and as such has set out a relatively fixed definition in its legislative proposals. [\[footnote 34\]](#) Whilst such an approach can support efforts to harmonise rules across multiple countries, we do not believe this approach is right for the UK. We do not think that it captures the full application of AI and its regulatory implications. Our concern is that **this lack of granularity could hinder innovation.**

White Paper – March 2023



Key objectives

Drive growth and prosperity

Increase public trust in AI

Strengthen the UK's position as a global leader in AI



Government support to regulators

1. Monitoring, assessment and feedback
2. Supporting coherent implementation of the principles
3. Cross-sectoral risk assessment and horizon scanning
4. Innovation support (e.g. sandboxes)
5. Education and awareness (e.g. guidance for business)

A pro-innovation approach to AI regulation

March 2023

The UK proposal

- No black letter law (as yet)
- Existing regulators to regulate AI e.g.
 - ICO
 - Financial Conduct Authority
 - Medicines and Healthcare products Regulatory Agency
- To implement regulation around 5 principles:
 - Safety, security and robustness
 - Appropriate transparency and explainability
 - Fairness
 - Accountability and governance
 - Contestability and redress

Artificial intelligence (AI)




This article is more than 1 month old

Rishi Sunak races to tighten rules for AI amid fears of existential risk

PM pushes allies to draw up agreement that could lead to global regulator, as industry warns new white paper is already out of date

Is No 10 waking up to dangers of AI?

Kiran Stacey and Rowena Mason
Fri 26 May 2023 16.00 BST



 Government insiders admit there has been a shift in approach to artificial intelligence.
Photograph: Dado Ruvic/Reuters

Rishi Sunak is scrambling to update the government's approach to regulating artificial intelligence, amid warnings that the industry poses an existential

Artificial intelligence (AI)

AI should be licensed like medicines or nuclear power, Labour suggests

Exclusive: party calls for developers without a licence to be barred from working on advanced AI tools

Kiran Stacey Political correspondent

Mon 5 Jun 2023 22.56 BST



Artificial intelligence (AI)

UK not too small to be centre of AI regulation, says Rishi Sunak

PM uses Washington visit to push Britain as global centre for technology and seek US involvement in safety summit

Peter Walker in Washington

🐦 @peterwalker99

Wed 7 Jun 2023 22.30 BST



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Our next sessions



Session #2: 25 July – 6pm CEST

Who owns the output? Generative AI and intellectual property considerations

Session #3: tbc

The autopilot's fault. Who is liable when AI fails?

Session #4: tbc

AI, lawful bases, transparency and fairness: how to thread the GDPR needle



Tech Me Up!

AI webinar series
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