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EU Artificial Intelligence Act

A new era for AI regulation

This article provides a brief introduction of the proposed Artificial Intelligence (AI) regulation introduced under the EU AI Act.

Organizations are increasingly citing Artificial Intelligence as a key catalyst in their growth strategy and now the regulatory initiatives are keeping pace with the growing risks these technologies bring.

The EU Artificial Intelligence Act: A new era for AI regulation

Widespread and rapid technological development has seen explosive growth in the deployment of Artificial Intelligence (AI) and Algorithmic Systems in markets across the globe. AI is becoming an instrumental part of human society, revolutionizing many aspects of life, and its adoption is no longer limited to high tech or specialized industries. With the many benefits AI provides, there is also a risk that the technology could produce unintended harms or be used in negative, or even unlawful ways.

Inevitably, questions around risks and ethics are being asked. To fill this void and address the rising concerns and harness the power of AI, several regulatory initiatives have emerged, a prominent one being the proposed EU Artificial Intelligence Act. What can be considered as the leading attempt to enact a horizontal regulation of AI, the proposed EU AI Act applies to all providers, importers, distributors and users of AI systems that impact persons located in the EU. It is the culmination of years of continuous discussions and consultations

among regulators, industry participants, scientists, and the wider public. Its scope is vast and will have a seismic impact on the many industries and entities. If enacted, the proposed legal framework will apply to organizations irrespective of whether they are established in the EU or in a third country.

This proposal is a clear indication of the future direction of regulatory scrutiny. Regulators are applying increasing pressure on companies to identify the risks associated with their AI systems and manage them effectively. Therefore, it is essential that AI providers and users have robust risk management frameworks, comprehensive controls, and validation methodologies in place. The EU AI Act will require organizations to re-examine and, where necessary, enhance their control frameworks to meet the requirements of the Act. This will be a step towards harnessing the power of AI in a positive way, and importantly, help manage risk.

At Deloitte, we appreciate the difficulties of navigating through the proposed EU AI Act. Considering the complex global regulatory environment, our expertise and network of professionals can assist organizations to prepare for this new regulation. For more information on how we can help, download our brochure or contact us to discuss the AI Act, its implications, and our Algorithm and AI approach.



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