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Directorate-General for Communications Networks, Content and Technology
European Commission
1049 Brussels

Brussels, 10 June 2020

Dear Sir/Madam,

On behalf of the Deloitte firms in the EU, and to supplement our responses to the detailed questions in the consultation, we would like to highlight some key messages for your consideration.

We live in a golden age of technological growth. Technologies that process and create data in novel ways, such as Artificial Intelligence (AI), use of process mining, deployment of robots and the use of blockchain technology are finding their way into our everyday business and life. Deloitte is a strong advocate of transparency and responsibility in AI. Transparent AI is explainable to stakeholders and hence enhances trustworthiness. Responsible AI takes into account and is responsive to the wider societal implications of of AI, including its impact on human rights and values.

Organizations are pursuing innovation through the capabilities that these new technologies provide, from aiding decision-making and advanced customer insights. At the same time, concerns around ethical use of information and technology are on the rise. Incidents have shown the risks of losing consumers' trust and suffering reputational damage when companies fail to manage undesired consequences of technology application.[1]

We welcome the European Commission's twin objectives of promoting the uptake of AI and addressing the risks that the technology may present. We support the EC´s twofold approach to create an ecosystem of excellence and an ecosystem of trust, recognizing that the two are connected.

Furthermore, we suggest that ethical principles can serve as design criteria for developing innovative uses of AI that can improve well-being, reduce inequities, and help individuals better achieve their goals.[2]

We would like to share comments on core principles and themes that we consider important when promoting the uptake of trustworthy AI in Europe:

- Trustworthy AI is not just about how explainable AI is and how risks are managed but also about how to differentiate oneself by doing responsible business in a profitable way.[3] Trustworthy AI is multidimensional. Economic, social, ecological and personal ethics must always be considered.

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[1] https://www2.deloitte.com/nl/nl/pages/risk/articles/beyond-the-crisis-ethics-of-data-and-ai.html?mkt_tok=eyJpIjoiWmpek5USmpaREl3WlRBMSIsInQiOiI0NXU1ZlVKUFwvYWRyTjBMamExWG1ONk9cL3FrcDh1SksrTk9cL1ZKRFFUaXI3cEhTdm5EU3JIMTlRVjE2eGV5OWVoYTFcL3hyXC8yTXc0eHE1QzRBcDlEWExBVnpjMmsrcVBHSmpuajlzcG5WRW5haTNiMStNR1ZudWZ2Mk44ZXo3anRWIn0%3D

[2] https://www2.deloitte.com/content/dam/insights/us/articles/6452_human-values-in-the-loop/DI_DR26-Human-values-in-the-loop.pdf

[3] https://www2.deloitte.com/nl/nl/pages/risk/articles/beyond-the-crisis-ethics-of-data-and-ai.html?mkt_tok=eyJpIjoiWmpek5USmpaREl3WlRBMSIsInQiOiI0NXU1ZlVKUFwvYWRyTjBMamExWG1ONk9cL3FrcDh1SksrTk9cL1ZKRFFUaXI3cEhTdm5EU3JIMTlRVjE2eGV5OWVoYTFcL3hyXC8yTXc0eHE1QzRBcDlEWExBVnpjMmsrcVBHSmpuajlzcG5WRW5haTNiMStNR1ZudWZ2Mk44ZXo3anRWIn0%3D

- By establishing a level playing field, encouraging innovation, and providing proper incentives, effective regulation can accelerate the impact of new industries and technologies.

"Ecosystem of excellence"

a) We emphasize the need for regulatory stability and clarity to encourage sustained investments.
b) We believe it is important to raise public awareness of the benefits of AI, as this will help fast-forward the adoption of AI in the private as well as in the public sector.
c) We endorse the use of the suggested lighthouse research centre by smaller companies and researchers to perform proofs of concept at varying stages of testing in a secure environment.
d) We support enabling transfers of basic research performed by the suggested lighthouse research centre to SMEs to expand the proposed AI technology through the applied research phase, in essence giving SMEs a boost to enter the AI space.
e) We are in favor of an ecosystem in which research, companies and start-ups play a key role in transforming ideas into concrete economic opportunities – making use of artificial intelligence possible and promoting concrete applications. It is not about experimenting, but about making the potential of artificial intelligence usable under market economy conditions.

Challenges AI represents

a) AI may lead to risks for society and specifically to national security, political stability, economic stability and infrastructure integrity.
b) AI may lead to risks for organizations such as financial performance risk, legal and compliance risk and reputational risk.
c) The integrity of a whole decision-making process that involves AI (either making decisions itself or via decision support mechanisms) may be called into question if the role of AI in the decision chain is not made clear – this is an issue of transparency.
d) Using AI may lead to the risk of creating legal uncertainty for individuals, public institutions and companies, especially regarding liability when something goes wrong.
e) A lack of skilled talent may hamper the uptake of AI, and unemployment could rise due to jobs being automated.
f) The adoption of technologies will mean that some jobs will inevitably become redundant, but others will be created by the shifts in productivity and consumer demand emanating from AI, and through the value chain of AI itself.

Ways to ensure AI is trustworthy

a) Organisations differ in their goals and operating contexts, and will therefore adopt different frameworks, rule sets and checklists to help guide the responsible development of AI technologies. We suggest that principles such as those outlined in the White Paper on AI can help organisations more effectively create ethical frameworks to deliberate specific issues.[4] From a practical perspective, compliance could be self-assessed by using an official template or

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[4] https://www2.deloitte.com/content/dam/insights/us/articles/6452_human-values-in-the-loop/DI_DR26-Human-values-in-the-loop.pdf

procedure that has been approved by authorities. This would enable a higher number of assessments to be completed.

b) Steps to increase trust in AI could include establishing a clear governance structure that holds individuals to account checking the technical correctness of the model, validating the data sets, communicating AI decisions transparently, explaining the decision-making process, assessing the policies and procedures used by the entity deploying AI, and using tools that validate AI models and expose possible bias and unfairness by checking whether the algorithms do what they are supposed to do. Adapting the governance structure under the General Data Protection Regulation (GDPR) for data protection (e.g. the establishment of data protection officers) could be explored.

c) We recommend that EU regulations for high-risk applications should include a mandatory annual assessment of each installation and that records should be kept for at least five years.

Creating a voluntary labelling system

a) A voluntary labelling system that functions as a (commercial) quality standard would be a great incentive to endorse high-quality AI systems for non-high-risk applications. This labelling system, however, needs to be robust to ensure that it is not taken advantage of, thereby undermining the integrity of the system. Clear penalties should be stipulated and enforced for parties who try to abuse the labelling system. A voluntary labelling system also ensures that AI products are made in a responsible way with attention to European values.

b) The trustworthiness of the labelling system is mainly influenced by the independence of the issuing authority. Independent verification/certification is therefore necessary.

c) Independent audit/assurance on compliance with the label's requirements may be helpful.

Safety and liability implications of AI, IoT and robotics

a) We recommend creating new standardized risk assessment procedures for AI in a similar format to the current Data Protection Impact Assessment procedure. Such procedures should include guidelines to determine whether a risk assessment should be conducted. The assessment should describe the AI application and its benefits for the individual, organization and society, as well as the risks to the interests of the groups that are impacted by the AI application, including whether and how these interests are protected by laws or regulations and what measures have been taken to remove or limit these risks. This assessment should be documented and reviewed periodically.

b) These risk assessment procedures should be continuous and should be repeated when important changes take place during the lifetime of an AI application and when the application is connected to other devices/systems if this could result in greater risks.

c) We endorse introducing stricter assessment procedures for AI applications used primarily for children.

d) We support the current EU legislative framework for product liability being amended to better cover the risks created by certain AI applications.

Furthermore, we would like to draw your attention to our recent publications that discuss trustworthy AI:

Deloitte Insights article: [Human values in the loop: Design principles for ethical AI](#)

Deloitte article: [Transparency and Responsibility in Artificial Intelligence – A call for explainable AI](#)

We believe in the great potential of artificial intelligence. The consistent implementation of the principles of transparency and responsibility is essential. This will lay the foundation for a continuously growing network in which start-ups, companies, academia, policy makers, NGOs and think tanks work together to promote artificial intelligence.

If you have any questions concerning our comments, please contact

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Yours sincerely,

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