



THE EU AI ACT

The World's First AI Law

December 2, 2025

Risk-Based Classification

UNACCEPTABLE RISK (Banned)

- Social scoring systems
- Manipulative AI
- Real-time facial recognition in public
- Emotion recognition in schools/workplaces

HIGH RISK (Strict Rules)

- AI in hiring & employment
- Healthcare AI / medical devices
- Educational AI (grading, admissions)
- Law enforcement AI
(Limited exceptions for law enforcement)

Limited & Minimal Risk

Limited Risk (Transparency Required)

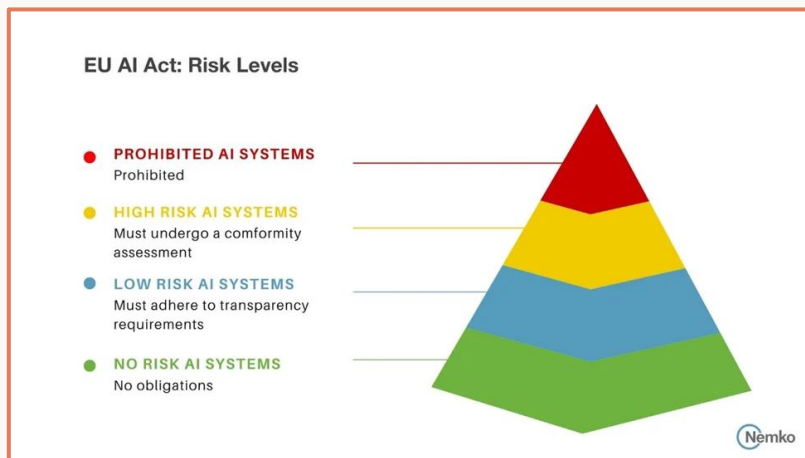
- Chatbots -> Must disclose it's AI
- AI-generated content -> Must be labeled
- Deepfakes -> Must be disclosed

Minimal Risk (No Restrictions)

- Spam filters
- Video game AI
- Everyday AI Tools

What Is The EU AI Act?

- **World's first** comprehensive AI regulation
- **Passed:** March 2024
- **In Force:** August 1, 2024
- **Creates a** legal framework for artificial intelligence
- **Maximum Penalties:** €35 million OR 7% of global revenue



Global Impact, “The Brussels Effect”

WHY DOES THE WORLD CARE?

- Any company selling AI in Europe must comply
 - Google, Microsoft, OpenAI, Meta, etc
- Companies prefer ONE global standard.
- “**Brussels Effect**” = EU rules become world rules
 - Same thing happened with GDPR (privacy law)



The Debate?

What's Next?

- Other countries likely to follow EU's lead
- US already discussing federal AI regulation
- Becomes the baseline for global AI governance

Pro-Regulation

- Protects citizens
- Builds public trust
- Sets ethical standards

Anti-Regulation

- May slow innovations
- Compliance costs hurt startups
- US/China competitive advantage

Discussion Question

Should governments regulate AI, or should tech companies be trusted to regulate themselves?