

AI Boot Camp

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# AI Laws and Regulations

Module 15 Day 3



# Class Objectives

By the end of class, you will be able to:

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1

Summarize why different types of organizations, such as governments, tech companies, and research institutions, want to regulate AI.

2

Review US regulation that impacts data collection and usage.

3

List key regional laws and regulations overseeing data collection and AI systems.

4

Describe how a major regional law can impact systems even outside of its jurisdiction.

5

Summarize how and why different organizations are developing regulations that specifically target AI systems.

6

Discuss the importance of AI regulation and compare this with how it may impact innovation and progress.



# Instructor **Demonstration**

Laws and Regulations that Impact Data Systems



# Laws and Regulations that Impact Data

Laws and regulations that cover data and its use generally share the following goals:



Protecting privacy



Keeping data secure



Providing transparency into algorithmic decision-making



Requiring the option of human intervention



# Laws and Regulations that Impact Data

There is no single set of rules that apply everywhere, but the legal use of data generally depends on:

The source of  
the data



The industry  
you're working in



The location  
of you or  
your company



The location of the  
people who you  
and your company  
work with

# Major Areas of Data Regulation

## Data Security:

Deals with how data might be unintentionally shared, for example, by having data that is too easily accessible or at risk of being stolen by hackers



Requires that companies have certain minimal security protections in place

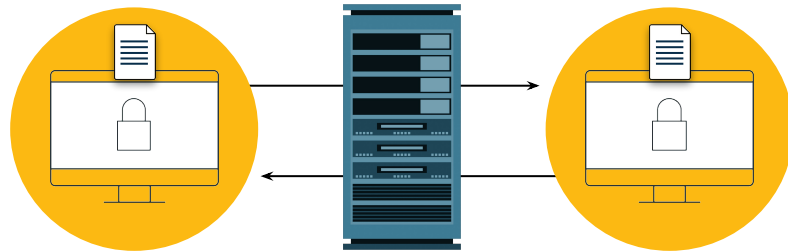


Outlines a company's obligations in case of a data breach

# Major Areas of Data Regulation

## Data Privacy:

Deals with how data gets intentionally collected or shared, for example, the sale or sharing of databases with industry partners or customers



- Limits how data can be shared

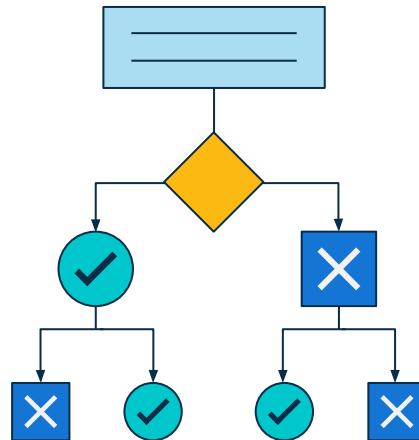
- Requires consent for data sharing

- Sets standards for transparency so that customers are informed about how their data is or can be shared

# Major Areas of Data Regulation

## Automated Decision-Making:

Deals with algorithms making decisions that impact people, for example, pre-policing algorithms or automated hiring processes



Requires that people are informed about the automated decisions being made about them



Requires that people are able to contest the decisions made about them through some kind of human-led auditing process





# Activity:

## US Data Regulation Deep Dive

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In this activity, you will be researching US data regulations as a group and will respond to a series of questions about these regulations.

**Suggested Time:**

20 Minutes



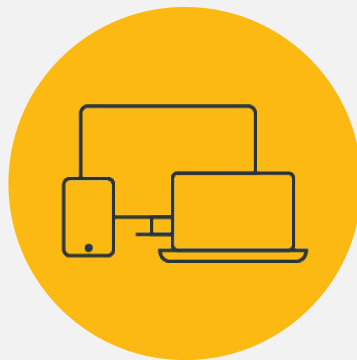


**Time's up!**  
Let's review



**Questions?**





# Instructor **Demonstration**

Major Regional Laws and Regulations

# The OECD Privacy Framework

The Organisation for Economic Co-operation and Development (OECD) is one of the attempts at creating a unified working framework for various industries. It comprises 38 countries organized to develop shared regulatory principles. It affects work with data primarily through its privacy framework, which includes eight principles.

01

Collection Limitation Principle

02

Data Quality Principle

03

Purpose Specification Principle

04

Use Limitation Principle

05

Security Safeguards Principle

06

Openness Principle

07

Individual Participation Principle

08

Accountability Principle

# OECD Framework Core Principles

## Collection Limitation Principle:

- The personal information that can be collected about people should have limits.
- People should be able to consent to sharing the information that's collected about them.
- Organizations should collect information in legal ways.

## Data Quality Principle:

- Organizations should have a reason for collecting information about people.
- Information that's collected about people should be maintained so that it's always accurate and up to date.

## Purpose Specification Principle:

- Organizations should determine why they're collecting information when they initially collect that information.
- They should use the information that they collect for that initial purpose and not for other purposes.

## Use Limitation Principle:

- Information about a person should not be shared without the consent of that person.
- However, cases might exist for which information about a person must be shared according to the rule.

# OECD Framework Core Principles (cont.)

## Security Safeguards Principle:

- Information about people should be secured to prevent the unauthorized access, sharing, destruction, or modification of that information.

## Openness Principle:

- Organizations should share information about their policies and practices around information about people.
- People who interact with an organization should be able to find out what information that organization has stored and how that information is being used.

## Individual Participation Principle:

- People should be able to:
  - Confirm whether an organization has information about them
  - Request all the information about them that an organization has stored
  - Receive that information within a reasonable timeframe, at a minimal cost, and in a format that they can understand
  - Request changes to the organization's information that relates to them
  - Request that personal information be deleted from the organization's record
  - Be provided with reasons if any of the preceding requests are denied

## Accountability Principle:

- Organizations should be held accountable for following all seven of the preceding principles.

# General Data Privacy Regulation (GDPR)

The GDPR is a set of rules based on the OECD privacy framework and applies specifically to organizations that interact with EU citizens.

1

It implements the same basic ideas as the OECD privacy framework.

2

Any organization that processes data associated with EU citizens and that doesn't comply with the GDPR can receive huge fines. So, organizations are incentivized to follow it.

3

In addition to implementing the eight principles of the OECD privacy framework, the GDPR has rules about automated decision-making. These require transparency around decisions that an algorithm or computer program makes—and the right to contest those decisions.





# California Consumer Privacy Act (CCPA)

The CCPA is a legal effort from 2018 that specifically covers interactions between businesses and Californian consumers, providing them the following rights:

1

The right to know what information gets collected and how it gets used, shared, or sold

2

The right to delete that personal information and to opt out of it being shared

3

Protections against discrimination, including terms of price or limiting services, against users who exercise these rights



# Checklist for Navigating the Data Regulatory Environment

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Consider your industry and the types of data that you process. Research the rules that are specific to these.



Research the data and technology rules for your location. If you're in the US, look up all the relevant federal and state rules.



Figure out where your customers are located.



Determine if you process the data of children or if children will likely use your product.





**Break**

15 mins



## Activity:

### Open AI and the GDPR

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In this activity, you will read an article about how OpenAI, the company that created ChatGPT, has been accused of violating GDPR data protection guidelines

**Suggested Time:**

15 Minutes





**Time's up!**  
Let's review



**Questions?**





# Instructor **Demonstration**

AI-specific Regulations

# European Union AI Act

The act is primarily concerned with identifying and placing protections on AI systems according to an analysis of 'risk':

## Unacceptable Risk

"Unacceptable risk" refers to systems that pose a danger to people's safety and freedoms, for example, by facilitating social scoring processes and enabling discrimination and controls over people and groups or by encouraging dangerous or harmful behaviors. As the category name suggests, these should be banned outright under the proposal.

## High Risk

"High risk" refers to systems that can have significant impact on people's lives. Examples include automated hiring processes, loan approval, and other forms of vetting. Systems identified to pose such a risk will be regulated with obligations and protections placed on them.



# US AI Legislation

25 States, territories, and districts have introduced bills governing AI, and 15 have implemented rules into law.

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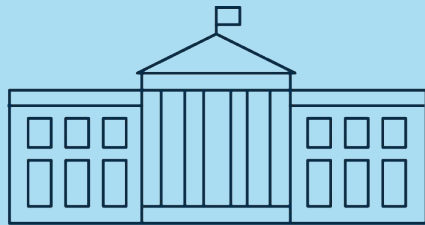
Proposals have been made in Congress to form a specialized agency for the investigation of and regulation of AI technologies.

2

AI experts have been called in for hearings on the state and risks of AI, including Sam Altman, CEO of OpenAI.

3

The Federal Trade Commission has been investigating OpenAI and risks it may hold for perpetuating misinformation and endangering consumers, as well as concerns for competition and monopoly.



**The White House has drafted a blueprint for a potential AI Bill of Rights based on the following principles:**

1

Safe and effective systems

2

Algorithmic discrimination protections

3

Data privacy

4

Notice and explanation

5

Human alternatives, consideration, and feedback

# Academic Research on Regulations

1 The University of Oxford's [Centre for the Governance of AI](#)

2 The [Data & Society Research Institute](#)

3 [The Alan Turing Institute](#)



# Corporate Self-regulation

01

Accenture Labs

02

IBM

03

Google

04

Samsung

05

Sony



## Activity:

### Your Take on AI Regulations

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In this activity, you will share some key points and insights from your discussions.

**Suggested Time:**

15 Minutes



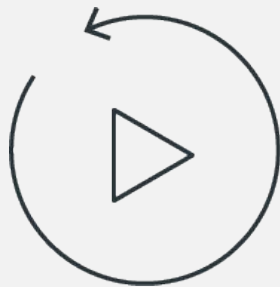


**Time's up!**  
Let's review



# Questions?





**Let's recap**



# Review the Class Objective

In this lesson you learned how to:

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**Questions?**





**The End**