



EU-Thailand Newsletter

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EU first jurisdiction to regulate AI

The EP overwhelmingly voted (13 March) in favour of the new European Artificial Intelligence (AI) Act with 523 votes to 46 and 49 abstentions. The text, which was agreed with the Council on 9 December 2023, will become the **first binding AI law worldwide** and seeks to **build a democratic model of AI governance** while striking a balance between **managing the risks of AI use** and **underpinning innovation**. Once the Council adopts and it is published in the Official Journal of the EU, the Act will enter into force 20 days later. Its implementation will be rolled out over the following two years, except for the obligations for high-risk systems that will only apply three years after the law's entry into force.

The Act, which **only applies to civilian uses of AI** and not military, takes a **risk-based approach** to establish obligations for different types of AI. **Applications considered to violate fundamental rights are banned**, such as biometric categorisation systems using sensitive characteristics, un-targeted scraping of facial images, emotion recognition in the workplace and educational institutions, and social scoring. **Exceptions are granted for law enforcement**. The Act will require **transparency** for all AI models. General-purpose AI (GPAI) systems will be required to **comply with the EU's copyright law** and report on the content used for training. 'High risk' GPAI will require additional reporting. To ensure compliance, a **new EU AI Office will be established in the Commission** – rather than as the EP demanded in a separate agency. Finally, to promote innovation, Member States will **support SMEs and start-ups with regulatory sandboxes** – that is, frameworks to allow testing in a real-world environment – to train AI before seeing it placed on the market.

In the debate MEPs overwhelmingly welcomed the text but pointed to problems to come. These included the **flexibility** of the framework in adapting to and tackling future challenges, **shortcomings in the area of innovation**, and **risks of over-regulating** European AI companies, hindering their global competitiveness. Co-Rapporteur Dragoş Tudorache (Renew, Romania) called for **linking initiatives with similar in the US and the UK** and suggested the next Commission and EP should make a priority of **working on the export and promotion of these rules**.