

# The Al Act represents the inaugural legal structure dedicated to AI. 

On 13 March 2024, lawmakers from the European Union (EU) enacted a pioneering piece of legislation concerning artificial intelligence (AI).

# Risk-Based Approach 

The EU AI Act categorises technology based on the level of risk, ranging from "unacceptable" to low, medium, and high risk.

## Banned Al Systems

- Sensitive trait-based biometric systems
- Random collection of online or CCTV facial images for facial recognition databases
- Emotion detection at work and in schools
- Social rating by behaviour or traits
- Al that alters behaviour, bypassing free will
- Al exploiting human vulnerabilities


## Transparency Throughout the Value Chain

These regulations mandate the preparation of technical documentation, adherence to EU copyright legislation, and the provision of comprehensive summaries of the training content utilised.

## Mandatory Clear Labelling

The legislation mandates the explicit identification of Al-generated materials, like deep fakes, to combat misinformation and raise awareness about Al's role in content generation.

# What Potential Fines Could Companies Face? 

Violating the AI Act may result in penalties reaching up to 35 million euros or 7\% of a company's worldwide turnover.

## What's Next?

EU nations are poised to formally endorse the legislation in May 2024. The law is anticipated to become effective early the following year and be implemented in 2026. Specific regulations will be enforced within six months, whereas the provisions on General-Purpose Artificial Intelligence will take effect within 12 months.
phone +3726028411
address Valge 13, 11415 Tallinn, Estonia
e-mail
welcome@fintechlegalcenter.eu

