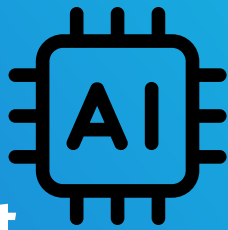


# ESBA Policy Briefing

## The EU Artificial Intelligence Act



### KEY FEATURES OF THE AI ACT

**Objective:** Establish a uniform legal framework for AI to ensure safety, ethical use, and protection of fundamental rights.

**Risk-Based Approach:** Classifies AI systems by risk level, with corresponding regulations.

**Bans and Restrictions:** Prohibits AI systems considered a threat to people, such as cognitive behavioral manipulation, with certain exceptions for serious crimes.

**High Risk AI Systems:** Includes systems in safety-critical products and specific areas like biometric identification and law enforcement.

**Generative AI:** Systems like ChatGPT must comply with transparency requirements, including disclosing AI-generated content.

**Limited Risk:** AI systems with limited risk must comply with transparency requirements.

**Uniform Definition:** Seeks a technology-neutral, uniform AI definition.

**Exclusions:** Excludes AI systems developed solely for scientific research.

### LINKS & RESOURCES

- [Texts Adopted on Artificial Intelligence](#)
- [European Commission's Strategy on AI](#)
- [The European Union's AI Act Explained](#)

### INTRODUCTION

The European Union's Artificial Intelligence Act represents a significant legislative initiative to regulate AI technologies within the European Union. Here's an updated briefing on its progression, key features, and specific implications for Small and Medium Enterprises (SMEs).

### TIMELINE

**April 2021:** The Commission presented its proposal for the EU AI Act.

**December 2022:** The Council of the EU adopted its common position on the AI Act.

**June 2023:** The European Parliament adopted its negotiating position on the AI Act.

**Next steps:** The trilogue process, where EU lawmakers and member states will negotiate the final details of the bill. Lawmakers have recently agreed on a draft of the AI Act, marking a significant step forward in its legislative journey.

### IMPLICATIONS FOR SMES

**Compliance Resources:** Article 55 of the Act provides resources like advice and financial support to aid SME compliance.

**Impact Assessments:** SMEs are exempt from consultation requirements for impact assessments of high-risk AI systems, but they should aim to carry them out where possible.

**Representation and Communication:** The Act ensures SMEs' representation and direct communication with them to support compliance, including development opportunities to enhance digital skills.

**Regulatory Sandboxes:** SMEs have free priority access to regulatory sandboxes for AI system development and testing, with simplified procedures and processes.

**Proportionate Compliance Costs:** The Act requires regular assessment of compliance costs for SMEs, with fees for third-party conformity assessments to be proportionate.