

REGULATING AI



ARTICLE BY

Nikoleta Christofidi
Senior Associate
nchristofidi@pavlaw.com



Undeniably, nowadays, artificial intelligence (“**AI**”) became an indispensable part of our daily lives and transforms our world. It would not be implausible for one to suggest that artificial intelligence technologies could potentially pose a threat to human beings since they are rapidly evolving and are deployed in a variety of sectors.

Last month came with a milestone in the European Union, since the European Parliament approved the Artificial Intelligence Act (the “**AI Act**”), in an attempt to safeguard fundamental human rights while promoting innovation and growth. This regulation needs to be finalised and endorsed by the European Council as well, before entering into force; however, it is anticipated that the AI Act will be adopted before the next European elections in June 2024.

As set out in the text of the AI Act that has been published, the Act has been designed to improve the functioning of the internal market and promote the uptake of human-centric and trustworthy artificial intelligence (**AI**), while ensuring a high level of protection of health, safety, fundamental rights enshrined in the Charter of Fundamental Rights, including democracy, the rule of law and environmental protection, against the harmful effects of artificial intelligence systems (**AI systems**) in the Union, and to support innovation.

In a nutshell, the AI Act lays down:

- (a) harmonised rules for the placing on the market, the putting into service, and the use of AI systems in the European Union;
- (b) prohibitions of certain AI practices;
- (c) specific requirements for high-risk AI systems and obligations for operators of such systems;
- (d) harmonised transparency rules for certain AI systems;
- (e) harmonised rules for the placing on the market of general-purpose AI models;
- (f) rules on market monitoring, market surveillance governance and enforcement;
- (g) measures to support innovation, with a particular focus on SMEs, including start-ups.

The AI Act will enter into force twenty days after its publication in the official Journal, and will become fully applicable twenty-four (24) months after its entry into force. However, the following provisions of the AI Act will become fully applicable before the lapse of the 24-month ‘grace’ period:

- (i) The bans on prohibited practises, will be applicable six (6) months after the entry into force date;
- (ii) The codes of practise will be applicable nine (9) months after the entry into force date; and
- (iii) General-purpose AI rules including governance will be applicable twelve (12) months after the entry into force date.

The provisions of the AI Act regarding obligations for high-risk systems will though be applicable thirty-six (36) months after the entry into force date.

It is interesting to highlight that during the plenary debate before the approval by the European Parliament of the AI Act (the "**Plenary Debate**"), several views were expressed which indicate the importance of the AI Act. Inter alia, Mr Sergey Lagodinsky noted that *"this AI act is our timely attempt to control the future developments before they control us"*[1]. However, as Mr Dragoş Tudorache mentioned, *"...much work lies ahead that goes beyond the AI Act itself. AI will push us to rethink the social contract at the heart of our democracies, our education models, labour markets, and the way we conduct warfare. The AI Act is a starting point for a new model of governance built around technology. We must now focus on putting this law into practice"*[2]. Ms Deidre Clune further mentioned that *"... this is not the last post; the AI Act is the foundation. And now comes the crucial task of implementation and increasing international cooperation. And that is the establishment of the AI area."*[3] It is, therefore, very interesting now, yet very important, to see how the member states will proceed to implement the AI Act into national legislation and how the rest of the world will respond, in an attempt to ensure that the AI evolution will peacefully co-exist with humanity and will be used as a means and not as an end.

[1]https://www.europarl.europa.eu/doceo/document/CRE-9-2024-03-12-INT-2-225-0000_EN.html

[2]https://www.europarl.europa.eu/doceo/document/CRE-9-2024-03-12-INT-2-206-0000_EN.html

[3]https://www.europarl.europa.eu/doceo/document/CRE-9-2024-03-12-INT-2-213-0000_EN.html



Patrician Chambers
332 Agiou Andreou str.,3035 Limassol, Cyprus

P.O Box 54543, 3725 Limassol, Cyprus

T +357 25871599 | F +357 25344548
info@pavlaw.com

www.pavlaw.com

Follow Us: 