

# AI ACT

PROJECT MOORE



# AI ACT

## IN A NUTSHELL

PROJECT  
MOORE

### Subject matter

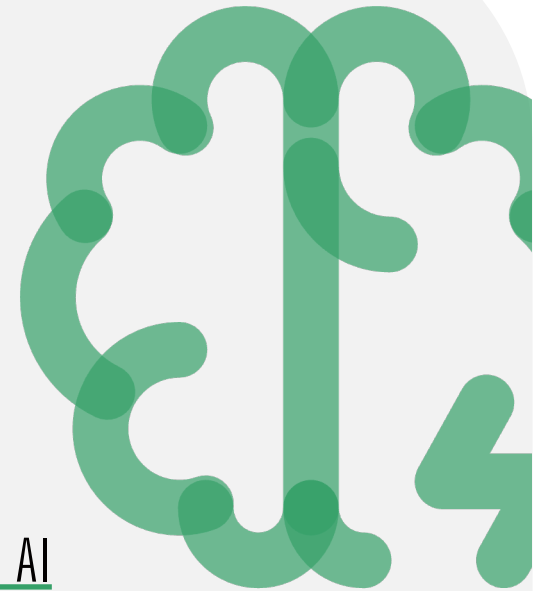
The AI Act regulates the development and use of AI systems and prohibits certain AI systems

### Key objectives

- Promoting the uptake of human-centric and trustworthy AI
- While ensuring a high level of protection of health, safety and fundamental rights

### Obligations

- The AI Act classifies AI systems based on their risk
- Most obligations apply to developers and users of high-risk AI systems



# WHO? KEY ACTORS

PROJECT  
MOORE

## Deployer



Natural or legal person established in the EU using an AI system under its authority (except for personal use)

## Distributor

Makes an AI system available on the EU market



## “Operators”

Every participant in the value chain of an AI system



## Importer

Places an AI system on the market that bears the name or trademark of an entity established outside the EU



## Provider

Natural or legal person that develops an AI system or a GPAI model (or has it developed) and places it on the market or puts it into service in the EU under its own name or trademark.

NB. In some cases, deployers, distributors and importers of high-risk systems are considered providers.

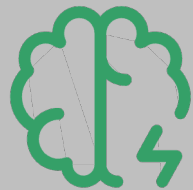


# WHAT?

## KEY DEFINITION

PROJECT  
MOORE

Broad definition of  
“AI System”



A machine-based system

Designed to operate with varying levels of autonomy

That may exhibit adaptiveness after deployment

For explicit or implicit objectives infers how to

Generate outputs, such as predictions, content, recommendations, or decisions

That influence physical or virtual environments



# WHAT?

## RISK CLASSIFICATION

PROJECT  
MOORE

E.g., social  
scoring

E.g., AI used for  
recruitment

E.g., chatbots, deepfakes

E.g., AI used in a spam filter

General Purpose AI models (GPAI)

### Unacceptable risk

Prohibited: violation of EU fundamental rights and values

### High risk

Regulated: conformity assessment, post-market monitoring, etc.

### Limited risk

Lighter transparency obligations

### Minimal risk

No specific regulation

### GPAI Models

Regulated: technical documentation, instructions for use, etc.



# RISK

## PROHIBITED AI SYSTEMS

PROJECT  
MOORE

AI systems with  
unacceptable risk  
are **prohibited**



- ⊖ Manipulative or deceptive techniques to distort behaviour and impair decision-making
- ⊖ Exploiting vulnerabilities related to age, disability, or socio-economic situations
- ⊖ Biometric categorization systems inferring sensitive attributes such as race
- ⊖ Social scoring: evaluating or classifying based on social behaviour or personal traits
- ⊖ Real-time remote biometric identification in public spaces for law enforcement
- ⊖ Criminal profiling: criminal offenses risk assessment based on profiling
- ⊖ Compiling facial recognition databases by scraping
- ⊖ Inferring emotions in workplaces or educational institutions



# RISK

## HIGH-RISK AI SYSTEMS

PROJECT  
MOORE



### What qualifies as a high-risk AI system?

I. AI used as a **safety component** of a product (or is a product) covered by EU laws in Annex II

- Machinery
- Lifts
- Medical devices
- Agricultural/forestry vehicles
- Motor vehicles and trailers
- ...

✓ Are required to undergo a third-party conformity assessment

II. AI systems **listed in Annex III with a significant risk**

- Non-banned biometrics
- Critical infrastructure
- Education
- Employment and recruitment
- Access/enjoyment of essential public/private services
- ...

➔ Significant risk = risk of harm to the health, safety or fundamental rights of natural person



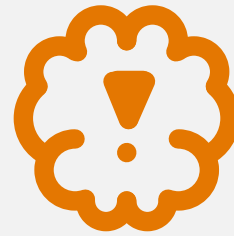
# WHAT?

## KEY OBLIGATIONS

PROJECT  
MOORE

Key requirements &  
obligations for

Providers



of **high-risk** AI systems

- ✔ Risk Management System
- ✔ Record-keeping
- ✔ Accuracy, robustness and cybersecurity
- ✔ Conformity Assessment
- ✔ Data protection and data governance
- ✔ Human oversight
- ✔ Technical documentation (Annex IV)
- ✔ Transparency and provision of information
- ✔ Accountability





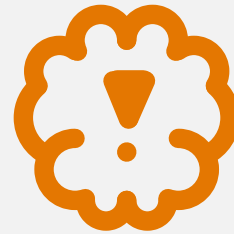
# WHAT?

## KEY OBLIGATIONS

PROJECT  
MOORE

Key requirements &  
obligations for

Deployers



of **high-risk** AI systems

- ✓ Adherence to instructions
- ✓ Record keeping and monitoring
- ✓ Use relevant and representative input data
- ✓ Human oversight
- ✓ Use information in DPIAs
- ✓ Inform work council
- ✓ Explain AI-based individual decision-making
- ✓ Some deployers: Fundamental Rights Impact Assessment



# WHAT?

## TRANSPARENCY OBLIGATIONS

PROJECT  
MOORE

### Requirements & obligations to **limited risk** AI systems

“Provide the information in a clear and distinguishable manner at the latest at the time of the first interaction or exposure”



#### For providers

Develop AI systems such that individuals are informed that they are interacting with an AI system

Develop AI systems such that large-scale synthetic content is clearly marked as AI-generated or manipulated



#### For deployers

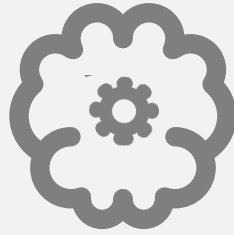
Inform individuals exposed to emotion recognition or biometric categorization systems

Disclose if an AI system generates or manipulates deep fake image, audio, or video content



# WHAT?

## GPAI models



## Requirements and obligations to General Purpose AI (GPAI) models



For **providers** of **regular GPAI models**

- I. Instructions for use
- II. Technical documentation
- III. Copyright law compliance
- IV. Training data summary

General obligations



Exceptions for free and open-source AI models



For **providers** of GPAI models **with systemic risk**

- I. Conduct model evaluations
- II. Adversarial testing
- III. Track and report serious incidents
- IV. Cybersecurity protection

Additional obligations



Systemic risk = a risk that is specific to the high-impact capabilities of GPAI models having a significant impact on the EU market



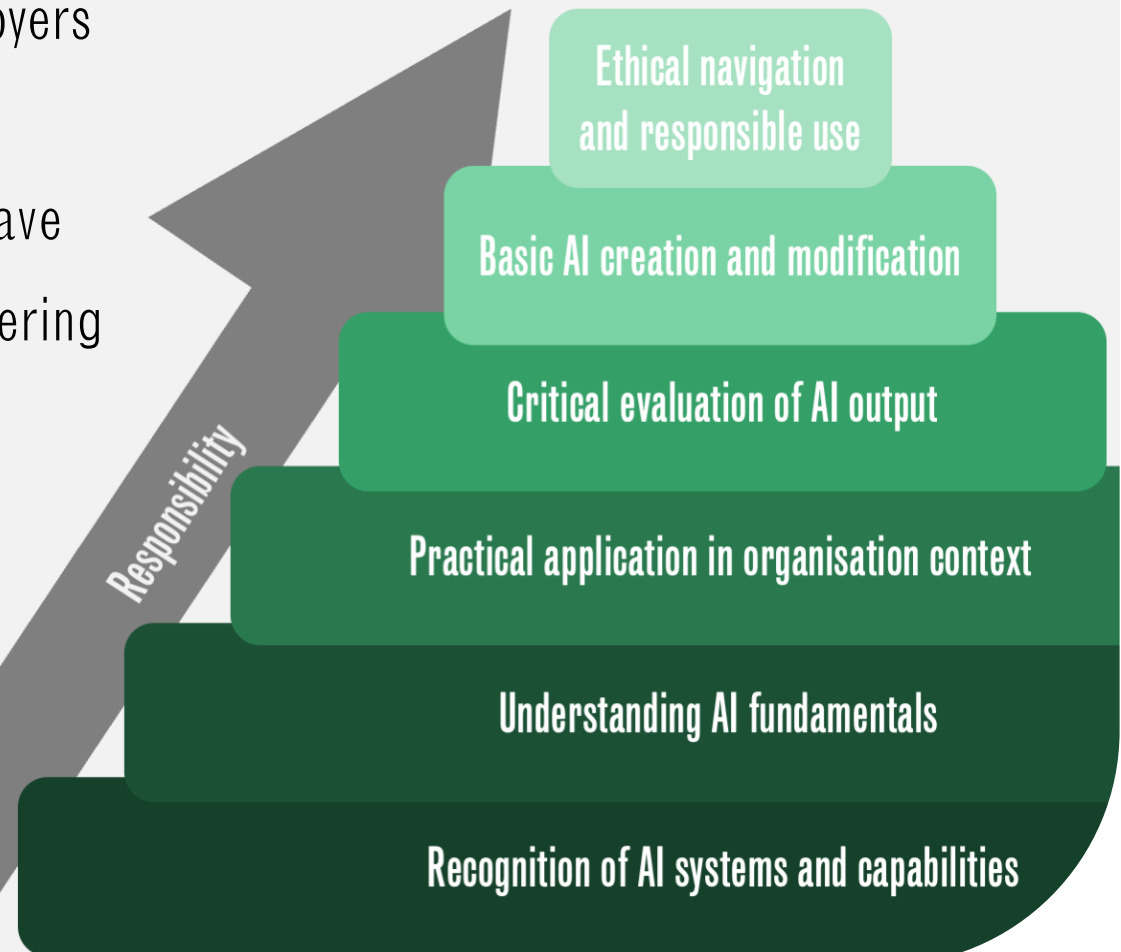
# WHAT?

## All AI systems

PROJECT  
MOORE

### AI literacy

- Definition = skills, knowledge and understanding that enable informed use of AI systems and awareness of the opportunities and risks of AI
- Applies to providers & deployers of all AI systems
- Obligation to ensure staff have adequate AI literacy, considering their technical knowledge, experience, education, training, and the context and target users of the AI systems



# AND?

## Penalties supervision & scope

PROJECT  
MOORE

### Penalties

- Fines up to € 35 million / 7% worldwide annual turnover

### Governance & supervision

- European Artificial Intelligence Board, European AI Office
- Member states must designate a national competent authority and a notifying authority
- Dutch supervisory authority: Autoriteit Persoonsgegevens (Data Protection Authority)

### Broad territorial application

- The AI Act will apply to actors inside and outside the EU if the AI system is placed on the EU market or the output produced by the AI system is used in the EU.



# WHEN?

## KEY DEADLINES

PROJECT  
MOORE

-  13 Mar 2024 EU Parliament approves AI Act
-  12 Jul 2024 Publication of final text AI Act
-  1 Aug 2024 Entry into force of AI Act
-  2 Feb 2025 Provisions on prohibited AI systems and AI literacy apply
-  2 Aug 2025 Provisions on GPAI and penalties apply
-  2 Aug 2026 General application deadline
-  2 Aug 2027 Provisions on high-risk AI systems - embedded into regulated products - apply



**FOR MORE  
CHECK [PROJECTMOORE.COM](https://projectmoore.com)**

**PROJECT  
MOORE**