

An In-Depth Look at the EU's AI Regulation and Liability Directive

Written by Florina Pop and Laura Grant

Part one of the series: Digital round-up 2022

Welcome to 2023, fellow digital policy enthusiasts! As we look back on 2022, it's clear that it was a momentous year for the European Union's digital policy, with many ground-breaking developments coming out of Brussels. As EIPA's data protection team, we are ready to share **some of the most exciting EU legislative developments from last year**, starting with *artificial intelligence*. In this series of blogs, we will also be highlighting EIPA's contributions in this area through our publications and courses. Next edition, we will delve into the exciting world of *cybersecurity policy* developments.

As someone who's been following EU digital policy for a while, you probably already know that the AI Act is a significant development. It's the first proposed law on AI by a major regulator anywhere in the world, and it aims to address and categorise the various risks posed by AI systems. The Act sets harmonised rules for the development, placement on the market, and use of AI systems in the EU.

Key Aims of the Artificial Intelligence Act:

- To provide clear requirements and obligations for specific uses of AI: categorising AI as being an unacceptable, high, or low/minimal risk.
- To address the risks created by AI applications and highlight high-risk applications, ensuring that those placed on the EU market are safe.
- To propose a series of conformity assessments, enforcement measures, and a governance structure at the European and national level.



Artificial Intelligence

- Artificial Intelligence Act

Progress: By the end of 2022, the Council had adopted a common position on the Act, which means that it can now enter negotiations with the Parliament. It's possible that the

regulation could enter into force as early as 2023.

- **AI Liability Directive**

Complementing the AI Act, the European Commission proposed the AI Liability Directive in September 2022, which aims to establish a harmonised regime for dealing with consumer liability claims for damage caused by AI products and services. As technology continues to advance, it's crucial that we put stronger protections in place for consumers during this digital age.

Key Aims of the AI Liability Directive:

- Reducing legal uncertainty surrounding liability claims and AI-related damages.
- Ensuring that victims can seek effective redress for AI-related damages.
- Harmonising certain rules across Member States for claims outside of the Product Liability Directive and bringing national liability rules up-to-date.

Impact of the AI Liability Directive:

- Simplifying the legal process and establishing broader protection for victims harmed by AI systems, by alleviating the victims' burden of proof and assisting them with access to evidence.

- Enabling the AI market to flourish by increasing guarantees, fostering consumer trust, and providing better legal certainty for businesses.

Progress: The Commission's proposal still needs to be adopted by the European Parliament and the Council, but it's a step in the right direction for a more responsible AI market.

If you're passionate about AI and EU digital policy, make sure to sign up for our newsletter for updates on our 2023 Artificial Intelligence course. And in the meantime, check out:

- *our free online module on AI & EU Law: definition and developments,*
- *our Briefing on Sandboxes for Responsible Artificial Intelligence, and,*
- *our Briefing on the Artificial Intelligence Act Proposal and its Implications for Member States here.*

That's it for this week! Stay tuned for the explainers of our next blog on European Data Regulation and Digital Markets Regulation.

The views expressed in this blog are those of the authors and not necessarily those of EIPA.