

Risk, Regulatory & Forensic

AI Governance and the EU AI Act

What is the EU AI Act?

The AI Act is an EU regulation, which lays down a uniform legal framework for the development, placing on the market, putting into service and use of artificial intelligence (AI) systems, in accordance with European Union values. The new legislation is designed to support innovation and promote the uptake of human centric and trustworthy AI, while protecting against the harmful effects of AI systems by ensuring a high level of protection of health, safety, and fundamental rights, including democracy, the rule of law and environment. The AI Act creates a new regulatory framework, which will not only create conditions to enter and remain in the market, but will also have significant impact on the reputation and positioning, competition, and associated opportunities, as well as operation and liabilities of companies developing and using AI.

Who does it apply to?

The scope of the Act extends to providers, users, importers, and distributors of AI systems within the EU, EU users consuming AI systems irrespective of their origins, and non-EU providers or users whose outputs are consumed within the EU.

How will it affect companies?

For high-risk uses, the providers will need to establish quality management systems, including risk management, and prepare adequate technical documentation. AI systems will, among other obligations, need to be designed and developed to achieve appropriate levels of accuracy, robustness, and cybersecurity, and perform consistently throughout their lifecycles. Development will require appropriate data governance and management practices, including regarding data collection, the formulation of assumptions, and examination of possible biases. Sufficient transparency will need to be ensured by instructions for use to enable deployers to interpret a systems' output and use it appropriately. The deployers will need to take appropriate technical and organisational measures to ensure the use of the systems in accordance with the instructions, and assign human oversight with necessary training, competence, and authority. The use will require monitoring and logging, and in some cases, deployers will need to conduct preliminary fundamental rights impact assessments.



Enforcement and penalties

Prohibited practices
<35 MIO EUR or 7%

Other non-compliance
<15 MIO EUR or 3%

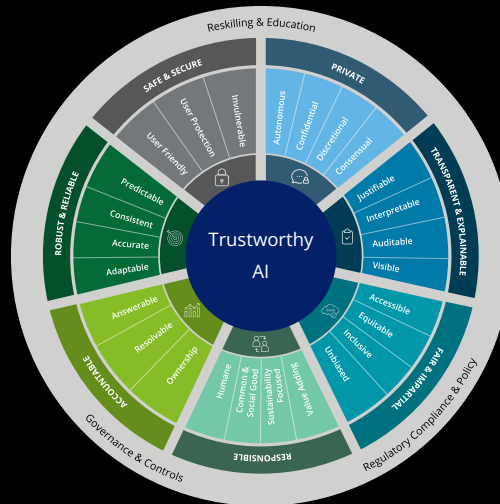
Incorrect, incomplete or misleading
<7.5 MIO EUR or 1%

How can Deloitte help?

Through its multidimensional Trustworthy AI Framework, Deloitte helps organisations develop safeguards for trustworthy AI development and deployment at all levels of the supply chain.

Our multidisciplinary capabilities in legal, risk, ethics, audit, assurance, business, and technology consulting enable tailored, efficient, and effective support through all lifecycle stages of AI systems, on a global level and with an in-depth understanding of local specifics.

Deloitte can support organisations adopt an AI governance framework, consisting of policy, procedure, standards and controls to ensure that AI is adopted responsibly and securely and used ethically, transparently and in line with the principles set out within the AI Act. We assist clients in bridging gaps, developing specific solutions, or assessing the value of proposals and implementations, setting organisations on a path to compliance.



Connect with us



Clea Evagorou
Partner
Risk, Regulatory &
Forensic Leader
clevagorou@deloitte.com



Christina Orfanidou
Director
Artificial Intelligence
& Data
corfanidou@deloitte.com

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