

EU AI Act Webinar Key Takeaways, Actions, and Summary

Key Takeaways

1. **EU AI Act Overview:** The EU AI Act is the first comprehensive regulatory framework covering all AI systems across sectors, using a risk-based approach with clear compliance requirements.
2. **Risk Categories:**
 - a. Prohibited AI practices (highest risk)
 - b. High-risk AI systems
 - c. Limited-risk/certain AI systems
 - d. General-purpose AI models (with or without systemic risk)
3. **Enforcement Timeline:** The regulation was adopted in 2024 but will be fully enforced in 2026, with different provisions coming into effect at various points:
 - a. February 2025: Bans on prohibited systems and AI literacy rules
 - b. August 2025: General-purpose AI model provisions
 - c. Full enforcement by 2026-2027
4. **Penalties:** Significant fines for non-compliance:
 - a. Up to 35 million euros or 7% of global annual turnover for prohibited AI practices
 - b. Up to 3% of global annual turnover for other obligations
 - c. Up to 7.5 million euros or 1% of turnover for misleading regulators
5. **Standards Alignment:** European harmonized standards will be available by late 2025, but compliance with international standards like ISO-IEC 42001 can help meet AI Act provisions.

Recommended Actions

1. **Immediate Actions:**
 - a. Create an AI inventory of all systems and models
 - b. Determine risk categories for your AI systems
 - c. Examine systems to identify any prohibited practices
 - d. Implement AI literacy programs for staff
2. **For High-Risk AI Providers:**
 - a. Implement risk management systems
 - b. Ensure proper data governance

- c. Provide transparency and information to deployers
 - d. Implement human oversight measures
 - e. Ensure accuracy, robustness, and cybersecurity
 - f. Register systems in the EU database
3. **For General-Purpose AI Model Providers:**
- a. Undertake governance review
 - b. Perform IP assessment for copyright compliance
 - c. Monitor systemic risk thresholds
 - d. Stay aware of upcoming codes of practice
4. **Ongoing Monitoring:**
- a. Review prohibited practices list annually
 - b. Monitor Commission work on legislative initiatives
 - c. Track forthcoming standards and guidance

In-Depth Summary

The webinar, presented by Monica Fernandez, Head of AI Assurance at Nemko Digital, provided a comprehensive overview of the EU AI Act and key actions organizations should take in 2024.

The EU AI Act represents the most mature AI regulation globally, following a risk-based approach that categorizes AI systems based on their potential harm. The regulation was adopted in 2024 but will be fully enforced by 2026, with different provisions coming into effect at various points between 2025-2027.

The risk categorization follows a pyramid structure:

- **Prohibited AI practices:** Including social scoring, behavioral manipulation, emotion recognition in sensitive places, and biometric categorization that deduces sensitive characteristics.
- **High-risk AI systems:** Including medical devices, vehicles, biometric identification, systems for essential services, education, and employment management.
- **Limited-risk/certain AI systems:** Including chatbots, generative AI, and deepfake creators.
- **General-purpose AI models:** Models with multiple functionalities, with additional requirements for those posing systemic risks.

For high-risk AI systems, providers must implement risk management, ensure data governance, provide transparency, implement human oversight, ensure accuracy and cybersecurity, maintain quality management systems, and register systems in the EU

database. Deployers have somewhat lighter obligations but must still implement human oversight and monitoring.

The timeline for implementation is staggered:

- February 2025: Bans on prohibited systems and AI literacy rules took effect
- August 2025: General-purpose AI model provisions come into effect
- August 2026-2027: Full enforcement of all provisions

Non-compliance carries significant penalties, with fines up to 35 million euros or 7% of global annual turnover for prohibited AI practices, and lesser but still substantial fines for other violations.

Organizations should take immediate action by creating an AI inventory, determining risk categories, implementing AI literacy programs, and monitoring forthcoming guidance. Nemko Digital offers services including risk categorization, AI governance assessment, AI literacy programs, and preparation for ISO-IEC 42001 certification.

The webinar concluded by highlighting Nemko Digital's upcoming webinars on AI literacy (March 31), AI governance assessment (April 22), AI Trustmark (April 11), and ISO-IEC 42001 readiness (May 7).