

EU AI Act & Omnibus: Act Now or Wait?

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Bas Overtoom: Hello, everybody, and welcome by a new webinar of Nemko Digital, and today we will talk about the EUAI Act and the OMNISBUS program, especially because many of our clients, they are asking us.

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Bas Overtoom: What should we do now? There's so many unclarities. Should we act now, or should we wait? And in this 30 minutes, and maybe a little bit longer with the Q&A, we will go into it and talk all about it.

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Bas Overtoom: And, I'm looking forward to the... yeah.

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Bas Overtoom: to the session. So we will speak about these kind of things.

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Bas Overtoom: Namco Digital will give a short introduction, the EU AI Act, what is digital omnibus, and then especially, number four is important, the strategic options that you have as an organization when dealing with this omnibus program.

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Bas Overtoom: Because that's what everybody is looking at, what is our strategic positioning with all this in clarity, because should we wait? Should we move forward,



what can we do? What is the smartest choice to make? And we will shine our light upon that.

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Bas Overtoom: So, me, my name is Buzz Overdone, yeah, Global Business Development Director with Nemko Digital, and I've been in many of these webinars, background in data analytics.

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Bas Overtoom: And I look forward to speak with you. And I'm not alone, I'm here with my colleague Alicia. Alicia, maybe you can introduce yourself.

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Alicja Halbryt: Yes, hi everyone, welcome to the webinar. My name is Alitzia, I'm an AI Trust Consultant at Nemko Digital for...

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Alicja Halbryt: Not so long since November last year. Before that, I worked at the Dutch Ministry of Economic Affairs as an AI expert in the standardization team, so I joined the

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Alicja Halbryt: since I like JTC21 standardization efforts, and my background is in service design and also philosophy of technology.

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Bas Overtoom: Great. Now, very nice that you could be here today with us, Alicia, and I think also your background with Sen-Sen and luck is expressly relevant to this topic, because, yeah, a lot of the decision-making is happening in that consortium, and yeah, let's see what is the latest that you are seeing there in the market.

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Bas Overtoom: But before we go into the topic, just a short introduction for you who are the first time in a webinar like this.

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Bas Overtoom: Nemko Digital, long history as Nemko Group, 90 years as a product compliance company, but since 2 years, we are, let's say, consolidating all our digital trust services, so that's AI, data, and cyber, into the Nemko Digital brand that is headquartered from Amsterdam, where Alicia and myself are both based.

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Bas Overtoom: But we're actively, globally, all around the world, delivering services on digital trust, and there you see us also being active in Korea, for example. So, yeah, it's quite exciting times for us.

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Bas Overtoom: What do we then deliver? Mainly two things when it comes to digital trust. So, on the one hand, a large part, what we do is what I call digital compliance advisory. So, we help clients to understand all the digital regulations, like an EU AI Act, and also prepare to get compliant, or get ready for that.

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Bas Overtoom: And you see some key services there on the left side, and on the right side, it's more about the advisory. So also, we have many clients come to us, yeah, I want to deploy AI at scale, or I want to build a security, resilient organization. What should I do? So then it's not so much related to a specific regulation, but more getting your organization ready for a higher maturity on

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Bas Overtoom: digital trust. So on both sides, we are, helping, and now maybe in this, in this half hour, we can also deep dive on some of the cases related to, EUAI Act and what we're doing.

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Bas Overtoom: But before that, let's take a step back. Two parts, and I will give the word to Alicia. First, a bit for the people that are not so familiar with the EOAI Act, a short introduction on the EOAI Act itself, and then deep diving into this omnibus

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Bas Overtoom: program, and what is that all about? Alicia, I give you the word.

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Alicja Halbryt: Yes, thanks, Baz. So, yes, today we will, of course, focus on the AI Act, but this slide gives you a good idea of the very wide legislation landscape of digital laws in the EU.

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Alicja Halbryt: At Nemko Digital, we see that for many of those laws, companies are really far from ready. The AI Act is definitely the most important one.

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Alicja Halbryt: And the most talked about one, and it also brings high penalties, the highest, up to 7% of global turnover.

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Alicja Halbryt: Next slide.

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Alicja Halbryt: So, yes, to make sure that we are all on the same page when it comes to understanding of the AI Act.

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Alicja Halbryt: The most important thing to know about it is that it is a risk-based regulation. This means that the products put on the EU market fall under one of the four

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Alicja Halbryt: risk categories, and let me give you examples. Prohibited AI,

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Alicja Halbryt: Are systems such as social scoring, or AI manipulating vulnerable children. High-risk AI would be an AI CV screening system, or AI used in medical diagnosis.

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Alicja Halbryt: Limited risk AIs are, for example, service chatbots, or even a deepfake marketing avatar.

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Alicja Halbryt: And then minimal risk or low risk, encompasses systems like grammar checkers or spam filters.

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Alicja Halbryt: And apart from risk categories, the AI Act also distinguishes different actors in the whole ecosystem, such as deployers or providers.

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Alicja Halbryt: And falling under a specific role brings different obligations, that need to be met. For example, transparency requirements for limited risk AI.

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Alicja Halbryt: And the key takeaway here is that it is really crucial for you to know where you are on this map.

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Alicja Halbryt: Next slide.

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Alicja Halbryt: Yes, this is especially important if you deal with a high-risk AI system. These take up most of the provisions of the AI Act and come with the most obligations. For example.

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Alicja Halbryt: If you're a provider of a high-risk AI, you need to make sure there's human oversight over your system, that you have a risk management system in place, or that your system is registered in the EU database.

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Alicja Halbryt: Next!

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Alicja Halbryt: At Nemko Digital, we support companies in their roles to AI Act compliance. The process follows, basically, three key steps. So, the first one is risk categorization.

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Alicja Halbryt: Which is crucial, as I already said. It's crucial to first define, which risk category your system falls under.

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Alicja Halbryt: Then we do a gap analysis.

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Alicja Halbryt: That is identifying what measure the company already has in place, and what still needs to be done.

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Alicja Halbryt: And at the end.

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Alicja Halbryt: We do evidence collection to prove compliance or to check if maybe a third-party assessment, is needed.

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Alicja Halbryt: So, now that we are all more or less on the same page about the AI Act, we are ready to talk about the uncertainty triggers spreading across the EU market for a few months now. That is the digital omnibus.

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Alicja Halbryt: It's good to start from getting and understanding what An omnibus itself even is.

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Alicja Halbryt: In EU legislation, an omnibus is a package of changes to several existing regulations. And the purpose of an omnibus

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Alicja Halbryt: as well as the digital omnibus that we discussed today, is to simplify the implementation of the law and reduce burden on business. So, essentially, the omnibus was proposed to help you.

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Alicja Halbryt: The digital omnibus package is not only about

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Alicja Halbryt: the AI Act, but it consists of simplifications proposed also to other laws, like For example, GDPR.

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Alicja Halbryt: And by the way, here, if you want to know more about the full digital omnibus package scope, you can check out an article written recently by our colleague Monica. The link should be shared in the chat.

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Alicja Halbryt: But now, importantly, this webinar will of course, a digital omnibus on AI.

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Alicja Halbryt: Next slide, yes.

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Alicja Halbryt: Well, digital omnibus and AI has been quite a process so far. It was proposed back in November last year.

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Alicja Halbryt: And now we are in the trilogue negotiations phase. These are...

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Alicja Halbryt: negotiations between the Parliament, the Council, and the Commission.

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Alicja Halbryt: And they're trying to reach an agreement. This big decision is likely to come already next week.

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Alicja Halbryt: 28th of April. So, it is important for you and your strategy to know and be prepared for what can happen. And we will talk about these possible scenarios today in a minute.

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Alicja Halbryt: And once the EU reaches a conclusion, we will outline an approach after the date that you can follow as well, so stay tuned to our socials.

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Alicja Halbryt: Next slide.

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Alicja Halbryt: the main point of discussion, of, of the omnibus, of the trial of negotiations, is the deadlines.

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Alicja Halbryt: the AI Act original timeline assumes that most of the high-risk AI applications will kick in in August, which is actually quite soon.

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Alicja Halbryt: But the digital omnibus proposes to move this deadline and actually break it into two separate dates, one for annex-free AI systems.

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Alicja Halbryt: in December 2027, and then another one for Annex 1 AI Systems in August 2028. So quite, quite, quite late.

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Alicja Halbryt: Water marking obligations deadline is, also, being discussed.

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Alicja Halbryt: Next slide.

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Alicja Halbryt: Yes, so not only deadlines are being discussed, very important items such as AI literacy or registration of high-risk systems in the EU database are also being debated, and there's still quite a lot of uncertainty.

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Alicja Halbryt: For example, hopefully next week, it will become clear whether companies are going to be responsible for air literacy training of their staff, or will it only be an encouraged practice, or what will the rules of registering your system in the database be?

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Alicja Halbryt: And, now, next slide...

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Alicja Halbryt: where I can, give the word back to Baz, to walk you through the possible strategic options.

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Alicja Halbryt: Thanks.

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Bas Overtoom: a very.

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Alicja Halbryt: That's true.

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Bas Overtoom: an ATM?

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Alicja Halbryt: Chadam.

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Bas Overtoom: Well, that was, that was great.

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Bas Overtoom: Good introduction, on the EUI Act and the Omnibus program and what it entails. And, yeah, there's a lot to, to think about, and I think most of the attention, as you also pointed out, goes towards these key deadlines.

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Bas Overtoom: changing, and that makes it, yeah, the question, what are we going to do? Basically, here we see a few strategic options that we will deep dive upon in the rest of this webinar. But these are the four main things that we see companies in the market do at the moment.

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Bas Overtoom: So first is, we call it proactive compliance. So, there's quite a lot of companies that say, yeah, okay, maybe the deadlines are moving, but for us, it is

important to be compliant in time, and especially when it comes to high-risk AI, there's really a lot of requirements that we need to adhere to, as you've seen. I mean, Alicia showed you the whole list, we didn't even go

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Bas Overtoom: to all of them, but it's quite a list. So, yeah, for a good implementation to get it already, 6 to 8, 9, 10 months is easily gone. So, yeah, even if it's going to be delayed, we need to get going. So, let's continue, be compliant, as if omnibus is... doesn't exist, and we need to comply soon.

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Bas Overtoom: Then, second option, I think it's also quite interesting, is, yeah, we see some companies saying, okay, let's do a little bit the best of both worlds, so we are not gonna...

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Bas Overtoom: do everything. We're gonna also use the opportunity, but we are clearly selecting a few no-regret moves, that whatever's gonna happen, we need to do anyway, and we can benefit from that, from today, and we're gonna do that, and for the rest, we're gonna take also a little bit slower the pace down to get more clarity on the exact timelines and on the exact standards that are coming out.

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Bas Overtoom: So that's the second option. Then there's the third option, okay, a potential delay, that's nice, let's wait and see. I first want to have clarity before we move. There's a lot of other opportunities that we have to do. For example, cybersecurity, AI comes later, let's lower a little bit the stress on that topic. And then there is a very interesting fourth group.

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Bas Overtoom: That we clearly see. And I also give some examples that say, hey, Well, everybody is kind of...

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Bas Overtoom: going a little bit slower, we actually want to accelerate, because we want to claim the AI Trust topic in the market, and leverage the requirements in the EU AI Act to use AI Trust as a strategic advantage into the services and the products that we are offering.

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Bas Overtoom: So those are the four main, kind of, categories that we're seeing, and of course, there's variations, but these are the fair more for ideas. So before we dive into that, yeah, we just had a question to this audience, and we will look back, into, this by the end in the Q&A.

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Bas Overtoom: if you look at yourself and your own company, what is the scenario that you will choose personally, or you see your company choosing at this moment? Where are you? Are you in the proactive compliance? Like, hey, we continue, we want to be compliant, although maybe there's some delays, or hey, we are strategically doing a few things, but also skipping out on some other things, or hey, this is a moment for us to

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Bas Overtoom: focus on other priorities, because we're very busy, and AI comes later. Or, hey, this is actually an opportunity when everybody starts to ignore it.

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Bas Overtoom: to double down on AI trust and leverage and claim the topic.

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Bas Overtoom: So, please take a moment to fill this in, and then we will look back at the results a little bit later during the Q&A.

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Bas Overtoom: So, let's dive into some of these topics and outline what we see there. So, the first is the no-regret moves, because I think the proactive compliance and the wait and see, I think they speak a bit for themselves, so I want to focus the time that we have together on especially number two and number 4.

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Bas Overtoom: So, the no regret moves, what are we then talking about, the no-regret moves? So, when we're looking to see what are kind of normally the things that are included in the no-regret moves are these, things.

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Bas Overtoom: AI inventory. It really makes sense, no matter what happens with the EU AI Act, to use this time to get a clarity on what is all the AI that is currently being used in your products or in your organization.

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Bas Overtoom: Also, the point that Alicia pointed out, remember this map with the different risk levels and also the different roles? This is a no-regret step that you can do today, because it even says something about where you are, and if these delays, or the things that we are speaking about, even matter to you, because they're mostly linked to the high-risk categories.

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Bas Overtoom: maybe in your organization, there is no high-risk AI, so you know

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Bas Overtoom: that, what to do. So getting clarity on the potential future outlook today is something that you can do, and it's also a very strong experience to gain to be able to classify those risks.

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Bas Overtoom: Thirdly, The accountability and oversight, yeah?

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Bas Overtoom: a new topic like AI, it is not always clear who is going to be accountable and has the responsibility, so this is a perfect moment to get that more clear, so when the EU AI Act is

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Bas Overtoom: Moving in the next gear, you can kind of act fast.

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Bas Overtoom: Then, some transparency and awareness. As you know, there is transparency requirements in some of the limited AI risk, but also for good practices, either internally or towards end user, having clear transparency about how AI is used in your organization or your products.

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Bas Overtoom: It's also a good, let's say, product quality benefit.

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Bas Overtoom: So these are some of the main no-regret steps that you can do.

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Bas Overtoom: Then one that I will deep dive a little bit further on is the business risk lens.

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Bas Overtoom: So I will spend a bit of time in that, because it's something that is very, very important, because sometimes companies think about risk, regulatory risk, as the main risk driver, but AI in your organization also has potential other business risks. We will dive deeper into that, because this is something that is

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Bas Overtoom: actually making it maybe even important to understand we need to do something about AI, regardless of what this EU omnibus package does.

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Bas Overtoom: And then the last two, I just want to be quite short on that. Incident management is a no-regret move, we don't maybe foresee incidents, but it's always good to be able to have a plan when something occurs, what are then some of the key actions that we are going to do.

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Bas Overtoom: And lastly, think not only about the AI that you make, but also about the AI that is in your supply chain ecosystem, or the AI that you're buying. So these are the main no-regret steps, that whatever happens with the omnibus are good to take a look at.

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Bas Overtoom: Then, back to that point that I just mentioned.

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Bas Overtoom: Regulatory risk versus business risk.

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Bas Overtoom: Looking at AI, in general, there was always some kind of risk, and when you look at the EU AI Act, we have these different risk categorizations.

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Bas Overtoom: The EUI Act is for largely set up to support individuals, European citizens, or individuals about privacy or security, or the use of AI in sensitive areas, like education, healthcare, etc.

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Bas Overtoom: These kind of things, require the most high risk.

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Bas Overtoom: But it doesn't often say much about the business risks.

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Bas Overtoom: So, an example to give, that I often give, is looking, for example, when you're an organization and you're applying AI, for example, in supply chain optimization, yeah, so to better define when products need to be shipped and in what way they need to be shipped.

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Bas Overtoom: This, according to the EUAI, would probably be a low-risk EUAI, yeah, risk category, because you're not really directly influencing people, etc, etc.

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Bas Overtoom: However.

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Bas Overtoom: This can have enormous influence for your business if something goes wrong, because if there's errors in your supply chain, it might cost you millions per day. So there is just one example that, according to EUAI Act, is low risk, but it has a high business risk.

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Bas Overtoom: Because if it goes wrong, it has a high impact on your business.

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Bas Overtoom: the key is that when you want to, in the end, categorize your risk and understanding for what do we need to do, the one is the outside-in, the regulatory requirements, but the other is the inside-out, yeah, what is the potential impact on us. And when we are looking together to kind of make a risk profile AI at organizations, we like to think about these two

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Bas Overtoom: different, angles. So I just wanted to give that to you. One of the kind of

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Bas Overtoom: nice ways to look, for example, about risk is the risk atlas of IBM that we also often use as a base.

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Bas Overtoom: And this is a very kind of detailed overview of all kind of areas where potential risk in the use of AI lie. So this is a nice way to look at your use case, and also to assess what are the potential risks that can happen, and then you can classify them based on likelihood and impact.

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Bas Overtoom: to get a risk profile there. So looking beyond only the regulatory risk is no regret step that we advise everybody to do.

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Bas Overtoom: Then the second that I wanted to deep dive in is a bit this strategic differentiator. Double down on AI trust.

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Bas Overtoom: You can do that in many different ways. One of the ways that we are also doing it with our clients is the AI Trust Mark. That's a mark that you can put on your products to show that they meet AI Trust requirements.

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Bas Overtoom: And these are some of, kind of, the key benefits that such a mark brings. So, it is not related to complying directly with the EUAI Act, yes or no, although it's highly aligned with the EUAI Act, but it brings other things. Like, for example, it shows to your customers that you bring an AI trust. It brings a competitive advantage.

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Bas Overtoom: This regulatory alignment is one thing that it brings. Consumer trust. But it also shows you as a kind of a leader in the ecosystem.

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Bas Overtoom: And you see many companies take that route. So, for example, we are very proud also of Samsung Electronics being one of the first leaders to take this AI Trustmark on their products.

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Bas Overtoom: This is how it works, such an AI trust mark. So what we are assessing as Namco is actually looking if the processes, as, for example, defined with EO ISO 42031,

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Bas Overtoom: are applied correctly for your product to meet those AI trust requirements. So this is just one example how you could set up such a strategic benefit, and actually, when people are slowing down, you double down on the idea of AI trust to bring more value, quality, and trust to your

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Bas Overtoom: Consumers and your ecosystem parties.

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Bas Overtoom: So, that was basically, our story for the strategic things you could do there. So, again, these four requirements.

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Bas Overtoom: And, before we go into the discussion, I just wanted to say two things.

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00:23:55.620 --> 00:23:57.690

Bas Overtoom: If you want to, kind of.

134

00:23:58.530 --> 00:24:17.620

Bas Overtoom: look with us and think more about which one of these four meets your own personal situation, and how to kind of, yeah, operate and execute on that. We are very happy to set up a meeting and talk further with you. This is your opportunity to kind of assess

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00:24:17.820 --> 00:24:21.450

Bas Overtoom: And, and make a plan,

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00:24:21.690 --> 00:24:37.649

Bas Overtoom: And then, last but not least, if you like what we are talking about and the value we are bringing, Alicia also mentioned we are giving quite some insights also soon about the results of Omnibus. Follow us on our social media channel, and we can talk further.

137



00:24:37.790 --> 00:24:53.759

Bas Overtoom: So with that, let me give the floor to the questions, and I'm looking forward to see if, yeah, people have questions. So you can type your questions in the chat, and then we are going into the

138

00:24:53.890 --> 00:25:00.670

Bas Overtoom: chat, and before we do that, I'm gonna have a small peek at the results of the

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00:25:04.000 --> 00:25:07.860

Bas Overtoom: how can I say, the results of the Q&A that we just had.

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00:25:09.880 --> 00:25:11.730

Bas Overtoom: So, there they're coming.

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00:25:12.360 --> 00:25:18.549

Bas Overtoom: So that's always a nice thing when we are getting ready for your questions, so type them away.

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00:25:21.230 --> 00:25:27.319

Bas Overtoom: So, 40% of you says, actually, we are going for number one.

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00:25:27.510 --> 00:25:46.390

Bas Overtoom: for the proactive compliance. So, whatever's happening in Omnibus, we are, yeah, moving ahead, because we need our time, and there's a lot of things clear, so let's go for that. 22%, so it's about no regret moves, that's a bit more on the strategic front.

144

00:25:46.390 --> 00:26:00.099

Bas Overtoom: what we spend time on together, and what can we do now, what can we wait and see, and then 30% is for the wait and see. We take a step back, let's first get clarity, there's other priorities.

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00:26:00.100 --> 00:26:09.870

Bas Overtoom: And 10% is more in the range of where Samsung was also, hey, for us, this is a strategic opportunity to differentiate us.

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00:26:09.910 --> 00:26:20.699

Bas Overtoom: from the market. So that's quite, quite interesting to see, yeah, let's say these, these results. Maybe a first question to you, Alicia.

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00:26:21.120 --> 00:26:28.330

Bas Overtoom: Do you also see that in the, in the market, these kind of results, or you have different experiences?

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00:26:32.340 --> 00:26:41.900

Alicja Halbryt: Well, I would say from my experience, from what I see now, is that, the companies are very uncertain about what to do, and

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00:26:42.350 --> 00:26:54.449

Alicja Halbryt: they would rather, yes, fully comply as soon as possible, and kind of get it out of the way, but, I'm curious, actually, what's your view on that?

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00:26:55.230 --> 00:26:57.509

Bas Overtoom: Yeah, I think you, I think,

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00:26:57.960 --> 00:27:00.059

Bas Overtoom: what I see now is that...

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00:27:01.750 --> 00:27:14.599

Bas Overtoom: I don't know if many companies have the feeling nowadays also that they need to start moving, but I think the minority is still the strategic advantage, like, we are doubling down.

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00:27:14.600 --> 00:27:27.749

Bas Overtoom: I think that's not only because of willingness, but that's also that sometimes the responsibility for AI is not completely clarified within the company. There's multiple stakeholders involved.

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00:27:27.750 --> 00:27:52.630

Bas Overtoom: So I do see that also this is a time for getting that clarity. So I see a lot of companies also a little bit in 2 and 3, a little bit waiting, a little bit seeing what can we do now, and using... making use of this this time to kind of, before accelerating. But, yeah, I also like, personally, some of the companies that are really doubling down and stealing the market, or stealing the topic in the market.

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00:27:53.090 --> 00:28:03.780

Bas Overtoom: Thanks. Maybe two or more questions. Yeah, I think that's also things that you can help with, Alicia. The first one is from Carrie. She says.

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00:28:03.780 --> 00:28:14.190

Bas Overtoom: Yeah, the EUAI Act, I missed at the beginning a little bit, sorry. Is it for companies in the EU only, or also companies that are selling into the EU, or both?

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00:28:15.830 --> 00:28:27.520

Alicja Halbryt: Yeah, so thanks for the question. The AI Act is about the EU market, so anything that is being sold on the EU market, has to comply with the AI Act.

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00:28:29.380 --> 00:28:30.260

Alicja Halbryt: Okay, gotcha.

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00:28:30.660 --> 00:28:34.139

Bas Overtoom: And what is the difference between the providers and the deployers?

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00:28:35.230 --> 00:28:36.540

Alicja Halbryt: So...

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00:28:37.030 --> 00:28:52.319

Alicja Halbryt: This can be seen in very simple terms. You can think of a provider as the owner or the creator of the AI system, and a deployer is basically the user, or a business user of that AI system.

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00:28:53.070 --> 00:28:57.570

Alicja Halbryt: And hope that that way of thinking, I hope that helps.

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00:28:57.960 --> 00:29:13.550

Bas Overtoom: Yeah, maybe to elaborate on that, so it is always... and also between the different categories, sometimes it's a bit of a gray area. It is not always black and white, and providers and deployers, it can also be. We also have discussions, but the main thing, as I always like to say it.

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00:29:13.980 --> 00:29:33.859

Bas Overtoom: if AI is a component that you use in your end machine, and it is really branded as your product or service, then you become the provider, although maybe you didn't create the AI model that is in there. For example, you're building a car, yeah, you have all kind of components in there, but in the end, it is your car that you're putting out into the market.

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00:29:33.890 --> 00:29:39.010

Bas Overtoom: There are some examples when it's clearly you're channeling out into an,

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00:29:39.280 --> 00:29:53.300

Bas Overtoom: other environment, and it's pretty clear that you are not really the, let's say, in control of that, and then you can become a common deployer. So, that is maybe something to add, how I also like to put it.

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00:29:55.550 --> 00:30:09.869

Bas Overtoom: Some more questions came in from Junk and Gary. I can initially pick that up. The question is, you know, what type of systems would require AI trust of their CE marking, and also can AI

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00:30:09.870 --> 00:30:26.009

Bas Overtoom: trust mark be a compliance proof of high-risk AI products. So, I think they're a bit in the same one. So, in the end, for the CE marking, or the CE marking just says, yeah, we are meeting the requirements in Europe.

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00:30:26.010 --> 00:30:39.169

Bas Overtoom: So, in the end, to meet that, all products that you bring out to the market that have AI, you need to do... adhere to the kind of EU requirements, so that's the requirements of the EU AI Act. But if the...

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00:30:39.220 --> 00:30:44.229

Bas Overtoom: AI is a low or medium risk, and then the requirements are relatively low.

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00:30:44.600 --> 00:30:59.330

Bas Overtoom: That's there. For ECE marking for high-risk AI, there is more needed, and in some cases, so not for all high-risk AI, there's also a conformity assessment needed by a third party, a notified body, so that's maybe also something, Gary, that you're hinting towards.

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00:30:59.380 --> 00:31:13.040

Bas Overtoom: But that's not for all the high-risk system decays, but for some of those. So then it becomes part of the testing CE marking process, and there you need a conformity assessment from a notified body.

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00:31:13.190 --> 00:31:37.859

Bas Overtoom: For the EUAI Act, sorry, for the Trustmark, the requirements that we are validating in such a high-risk system are three Trustmark. They are very similar to the EUAI Act, so there's a lot of overlap with what you would do in such a conformity assessment, and Nemko is also becoming a notified body for EUAI Act, but the trust mark on itself is not the same as a conformity assessment

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00:31:37.860 --> 00:31:49.410

Bas Overtoom: by a notified body. So if you are in that category that really needs a third-party official assessment, yeah, you would always have to do that official notified body, but if you do it with Nemko, it could be, let's say, yeah.

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00:31:49.410 --> 00:31:59.460

Bas Overtoom: you could do both at the same time, and that trust mark is more meant for, kind of, yeah, also for marketing and external purposes.

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00:31:59.520 --> 00:32:02.560

Bas Overtoom: So, that may be on death.

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00:32:02.670 --> 00:32:11.379

Bas Overtoom: Then maybe, yeah, Alicia, also a question. Where do you see yourself? Yeah.

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00:32:11.460 --> 00:32:24.789

Bas Overtoom: moving the, the digital omnibus, to, yeah, seeing all the buzz that is going there, your connection with the Sensana, like, I know there is, nobody really knows, but what are some of your, yeah, your views?

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00:32:26.290 --> 00:32:32.080

Alicja Halbryt: Yes, that is true that no one, really knows, and yes, hopefully we will know

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00:32:32.200 --> 00:32:48.760

Alicja Halbryt: more next week, and by June, we will have the final official decision from the EU. In my opinion, we will get extended deadlines for the high-risk AI systems and for the watermarking obligations.

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00:32:49.050 --> 00:32:56.189

Alicja Halbryt: We will for sure get the ban on explicit content, or explicit deepfakes.

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00:32:56.440 --> 00:33:03.180

Alicja Halbryt: And for all the other, you know, topics of discussion.

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00:33:03.250 --> 00:33:19.750

Alicja Halbryt: We really cannot be sure, because still at this point, the Commission and the Council and the Parliament, they all have different opinions and perspectives. So, it's still a really, kind of a storm going on there, I would say.

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00:33:19.750 --> 00:33:23.590

Alicja Halbryt: And yes, hopefully some clarity will come soon.

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00:33:25.020 --> 00:33:25.730

Bas Overtoom: Yep.

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00:33:26.300 --> 00:33:45.710

Bas Overtoom: So, there's some more questions coming in, and then we are going to slowly, round off. So, Nemko, are you accredited as a conformity body? You have many topics for the EUAI Act, not at the moment yet, but we are, busy with that, to become that party, but at the moment, we can give out this trust mark.

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00:33:45.710 --> 00:33:56.620

Bas Overtoom: But also, we are doing a lot of advisory on the, on the topic at the moment, but we're looking also at this, to become a notified body on this, topic.

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00:34:02.390 --> 00:34:17.140

Bas Overtoom: Yeah, maybe, I don't know if you, can answer this a little bit. All products listed in NXA, like toys, machineries, precious vehicles, etc, are they considered high-risk, products, or are there other...

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00:34:17.139 --> 00:34:24.119

Bas Overtoom: conditions to categorize products as high risk. So maybe, Alicia, when are products...

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00:34:24.179 --> 00:34:27.199

Bas Overtoom: High risk, to simplify a little bit the question.

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00:34:27.730 --> 00:34:34.670

Alicja Halbryt: Yeah, so the product is high risk when it falls under the Annex 3 and Annex 1,

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00:34:34.699 --> 00:34:45.840

Alicja Halbryt: And, if it, poses harm or, or creates harm for significant... for, sorry, for fundamental rights, for safety and health.

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00:34:45.840 --> 00:34:55.179

Alicja Halbryt: Of individuals, so that is for sure the... then categorized as high-risk AI. And from my understanding,

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00:34:55.590 --> 00:35:03.130

Alicja Halbryt: a system is high risk under Annex 1 when it is part of the safety component.

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00:35:03.450 --> 00:35:05.479

Alicja Halbryt: Of the, of the product.

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00:35:05.910 --> 00:35:07.580

Alicja Halbryt: Hope that answers.

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00:35:08.280 --> 00:35:23.169

Bas Overtoom: Yeah, maybe to elaborate a little bit, so you have these two annexes, I think those are key ones that you mentioned, and the one is more related to, kind of, product regulations, so from, are you... is your... are you a risky product, like a toy, or a medical device, or all that kind of things, then?

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00:35:23.170 --> 00:35:30.310

Bas Overtoom: yeah, you might be highly likely to fall, be considered high risk. On the other hand, it is about use cases, whereas this

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00:35:30.310 --> 00:35:46.770

Bas Overtoom: product deployed, or in what way? Is there, yeah, is it processing sensitive data, biometrical data from people? Is it deployed in sensitive areas, like employment? Is it influencing, yeah, emotions or people's reactions? Those are kind of triggers.

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00:35:46.770 --> 00:35:52.310

Bas Overtoom: Explained, that can, can lead to an, yeah, a high-risk category.

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00:35:52.310 --> 00:35:58.189

Bas Overtoom: And I think there it becomes quite interesting, because we also see many cases,

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00:35:59.230 --> 00:36:02.070

Bas Overtoom: Where it is about,

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00:36:03.640 --> 00:36:18.419

Bas Overtoom: the product itself, maybe not high risk, but then where you are gonna deploy that product, then can certainly make it into a high-risk area. So we have, for example, security cameras, AI security cameras, maybe not... they're not high-risk by themselves.

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00:36:18.440 --> 00:36:31.210

Bas Overtoom: But if you're going to deploy them, for example, related to border control, or related to kind of other, areas, or employee monitoring, then it's certainly a high-risk use case.

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00:36:31.210 --> 00:36:38.590

Bas Overtoom: So, there you see also what we have. Other case that we're working on is laptops, personal assistants on laptops.

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00:36:38.590 --> 00:36:48.750

Bas Overtoom: Great for productivity, but if you're gonna use that in an employer environment, maybe it's gonna be considered high risk, yeah? With the emphasis on maybe so.

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00:36:48.750 --> 00:37:01.300

Bas Overtoom: there is sometimes things that are going to be high risk, but also sometimes it's the other way around, because not everything that is deployed in a healthcare setting is automatically high risk. There's quite a bit of use cases you can define.

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00:37:01.300 --> 00:37:20.259

Bas Overtoom: that we can consider, yeah, although this is happening maybe in a hospital, it's still not high risk. So there's always, yeah, you try to kind of do a best effort to understand this, this risk categorization, and it's sometimes a bit of an, let's say, also, yeah, a gray area where you have to navigate.

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00:37:20.260 --> 00:37:27.559

Bas Overtoom: to... So... Yeah, maybe,

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00:37:27.680 --> 00:37:42.770

Bas Overtoom: Last question, considering the time also, a lot of questions, thank you very much for your active participation. When companies begin preparing for the EUAI Act, what are the first practical steps you typically recommend? Alicia, what is your...

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00:37:42.960 --> 00:37:44.109

Bas Overtoom: Take on this.

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00:37:45.860 --> 00:38:04.709

Alicja Halbryt: So, we... as I also talked about today briefly, the first thing you really need to do is to find yourself in this map of what kind of risk level is your system, and then which kind of actor you are in this whole ecosystem, so...

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00:38:04.710 --> 00:38:09.690

Alicja Halbryt: Are you a provider, deployer, and are you high risk? Are you... are you low risk?

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00:38:09.900 --> 00:38:11.640

Alicja Halbryt: And that, that is...

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00:38:11.770 --> 00:38:24.329

Alicja Halbryt: the first key step to even know whether you need to comply with the AI Act, because maybe you fall completely out of the scope of the AI Act, and that's a crucial thing to find out about your product.

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00:38:25.140 --> 00:38:37.639

Bas Overtoom: Yeah, I think that is great, and I mean, maybe just do a small correction. You're always part of the EUI Act, but maybe you're indeed in a lower-risk category when there's no additional obligations.

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00:38:37.640 --> 00:38:57.640

Bas Overtoom: to meet. Though, be careful, last remark from my side on that. If you're a low-risk category in the EU AI Act, then you don't have any additional requirements for AI in your products, but it doesn't mean that there's no other regulations that have any requirements for your AI.

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00:38:57.640 --> 00:39:06.270

Bas Overtoom: Because, for example, the general product safety regulations and maybe other product regulations will have some initial risk assessments

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00:39:06.270 --> 00:39:19.819

Bas Overtoom: requirements that you need to do. And that, being in a requirement, or just for your business, is a good step to do anyway. Because when you bring products to market, it's always good to do this kind of risk assessment.

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00:39:19.820 --> 00:39:38.540

Bas Overtoom: Not only on the risk category, but also on, yeah, what could be potential things that could damage... could, let's say, cause harm for our products, could cause damage, could go wrong, because with that assessment, you can organize mitigating actions and bring out a

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00:39:38.640 --> 00:39:41.140

Bas Overtoom: Quality product to the market.

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00:39:41.540 --> 00:39:43.759

Bas Overtoom: in the EU or elsewhere.

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00:39:43.760 --> 00:40:07.060

Bas Overtoom: So, with that, I think we had a great discussion. Alicia, I want to thank you for all your insights and also your answers. I want to thank the audience for their questions and their active participation. Now, we'll be keep posting on this topic via the channels that we used. You will get an email, you can download the slides.

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00:40:07.060 --> 00:40:12.790

Bas Overtoom: And please, if you want to make concrete actions with one of those four strategies.

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00:40:13.110 --> 00:40:28.219

Bas Overtoom: call us, and we're happy to think along in defining in which of the four categories you can best act, and what it then takes to follow that strategy. Thank you, everybody, and we see each other soon.