

The EU Artificial Intelligence Act (AI Act) is the world's most comprehensive legal framework for AI developers, deployers and importers

This Regulation, which entered into force on 1 August 2024, creates a regulatory framework for the development and use of AI systems in the European Union, with the aim of ensuring safety, transparency and respect for fundamental rights.

Key obligations

The AI Act takes a risk-based approach to regulating AI systems in the EU market.

- **Prohibited AI practices:** include AI practices violating fundamental rights such as social scoring, exploiting people's vulnerabilities, using subliminal techniques, real-time biometric identification in public spaces (with limited exceptions), certain forms of individual predictive policing, emotion recognition in workplaces and schools, in addition to untargeted scraping of internet or CCTV footage for facial images to build databases.
- **High Risk AI systems:** include AI systems using biometrics, or used in critical infrastructure, education, employment, self-employment, essential private/public services, law enforcement, migration, asylum, border control, justice administration and democratic processes. AI systems which are safety components of devices or are devices covered by EU product safety legislation are also considered high-risk. Requirements for these systems include pre-market conformity assessment, risk management, data governance, technical documentation provision, record keeping, transparency and human oversight. High-risk AI systems deployed by public authorities or related entities must be registered in a public EU database.
- **Transparency obligations for certain AI systems:** providers of AI systems intended to interact directly with natural persons, or which generate synthetic audio, image, video or text content will be subject to transparency obligations. Deployers of emotion recognition or biometric categorisation systems and deployers of AI systems that generate or manipulate image, audio or video content constituting a deep fake are also subject to transparency obligations.
- **General Purpose AI (GPAI) systems and models:** risk categorisation is based on model capability rather than application. Two risk categories exist: GPAI models entailing systemic risk and all other GPAI models. Providers of systemic risk GPAI models have more compliance requirements.
 - **GPAI Models:** providers must maintain technical documentation and share information with potential users about the capabilities and limitations of the model. They must also draw up and make publicly available a 'sufficiently detailed summary' about the content used for training of the model. A code of practice will be drawn up by the AI Office.

- **GPAI Models with systemic risks:** regarded as having systemic risk if they have high impact capabilities or are designated as such by the European Commission. A model is presumed to have high impact capabilities if the compute used for training measures 10^{25} or more Floating Point Operations Per Second (FLOPs). Providers of these models have additional obligations like model evaluations, systemic risk mitigation, incident reporting and ensuring cybersecurity protection. A code of practice is also recommended.

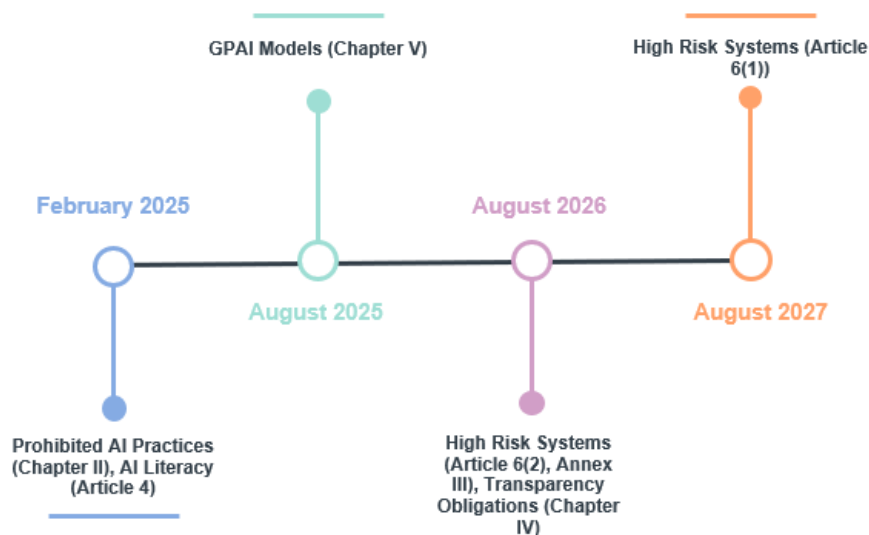
Enforcement

An Artificial Intelligence Office (AI Office) has been established within the European Commission to enforce the AI Act in EU Member States, with exclusive authority over GPAI models. Member States are obliged to designate and empower market surveillance authorities to enforce the Regulation. An AI Board, comprising representatives from these states, will be established with the aim of providing a coherent implementation. An Advisory Forum of stakeholders and a Scientific Panel of independent experts will also be established.

Penalties for infringements can reach up to **EUR 35 million or 7% of annual global turnover**, and up to **EUR 15 million or 3% depending on the violations**. Incorrect reports can result in penalties of up to **EUR 7.5 million or 1.5% of annual turnover**. Additionally, providers can be forced to withdraw non-compliant AI systems from the market.

What's next

Since the AI Act came into force on **1 August 2024**, specific provisions in the Regulation are gradually becoming applicable. A ban on prohibited practices applies as of **2 February 2025** and the obligations for GPAI take effect on **2 August 2025**. Other provisions will become applicable on **2 August 2026**, apart from certain high-risk categories and GPAI models placed on the market before **2 August 2025** (not intended to be used by public authorities), which will be subject to new rules as of **2 August 2030**. Finally, specific obligations will apply to certain components of large-scale IT systems as of **31 December 2030**.



We can support you with preparations and compliance

We have been helping clients understand and adapt to the AI Act since its inception. This has included in-depth public affairs support for clients throughout the legislative process, giving us an understanding of the legislator's intentions and the decision-making process which shaped the final form of the AI Act. Our dedicated Bird & Bird working group currently stands at 34 AI Act specialists and is growing steadily. We are deeply engaged with supporting clients to achieve AI Act compliance, drawing together broad and pragmatic experience from a deep bench of European lawyers and public affairs specialists, with backgrounds in technology, personal data and product safety legislation. We are monitoring the enforcement structure and work of the AI Office closely, together with forthcoming secondary legislation and guidance.

We are currently helping clients with:

- **Training** for legal and product teams on AI Act obligations
- AI Act regulatory **impact assessments** for specific AI systems and models
- Developing **toolkits** for AI model and system assessment
- Preparing **documentation** for AI Act compliance
- Adding AI Act compliance provisions to **contracts**, acceptable use policies and data protection impact assessments
- **Mapping** expected secondary legislation, guidance documents, standards development and timelines stemming from the AI Act

AI Act Guide

To guide you through the EU AI Act, our multi-disciplinary team has published an [AI Act Guide](#) which summarises key aspects of the Regulation and highlights the most important actions organisations should take in seeking to comply with it. For further insights into global AI regulations, explore our [AI Regulatory Horizon Tracker](#) and [Global AI Governance Report](#).

How can we support you with compliance?

Bird & Bird's team of experts is on hand to help your organisation comply with the new Regulation. Our experience includes advising:

- a large **U.S. tech company**, which develops its own AI solutions, on various specialised issues related to the AI Act (e.g., applicability and how certain obligations can be practically implemented);
- a **multinational information technology company** on the implications of the emerging regulatory framework in the UK and across the EU, including assisting the client with responses to consultations on the AI Act and organising meetings with European Commission officials;
- a **multinational computer software company** on the AI Act, including the drafting of an extensive guidance resource for determining the client's position and obligations under the new Regulation, in addition to providing advice on issues relevant to both the AI Act and data privacy obligations;
- one of the **leading providers of image-generating AI models** (so-called diffusion models) on the AI Act, by preparing expert opinions on how its own solutions should be categorised under the AI Act and what obligations apply to the provider;
- a **leading global provider of advanced energy management and IoT-enabled solutions** in connection with the AI Act, among other things by having developed a policy that illustrates the relevant concepts to employees;
- the **first European AI-powered cybersecurity defence centre** on various aspects of the AI Act regarding a potential high-risk classification, the classification of its customers and the resulting implications for its own contracts.

For more information, please speak to your usual Bird & Bird contact or one of our AI Act Working Group experts below.

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Bird & Bird is an international law firm with broad experience across a range of artificial intelligence matters. The law firm offers:

- *Market-leading strength in TMT and IP, including strong experience on AI-related data protection issues.*
- *Expertise advising on the regulatory landscape of AI.*
- *Assistance in the development of AI policies.*

Chambers Global Market Leaders, Artificial Intelligence 2025

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