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Brussels Reveals Blueprint for Policing Powerful AI Systems

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The European Union has published its first draft of rules designed to govern powerful artificial intelligence systems, marking a significant step in its efforts to regulate the technology sector.

The code targets major AI developers, including OpenAI, Google, and Meta, providing detailed guidance on how they should manage risks and ensure compliance with EU regulations.

Key measures include requirements for companies to be transparent about how their AI models are trained, including disclosure of data sources and web crawling methods. The draft also establishes frameworks for assessing potential risks, from cybersecurity threats to discrimination concerns.

Key aspects of the guidance include:

- Mandatory transparency about AI training methods, including disclosure of web crawler usage
- Implementation of Safety and Security Frameworks for risk management
- Strict copyright compliance measures
- Comprehensive risk assessment protocols to prevent discrimination and potential AI control issues

Companies developing the most powerful AI systems—those using computing power above a specified threshold—will face additional obligations to mitigate what the EU terms “systemic risks.”

The draft is open for stakeholder feedback until November 28, 2024, with the final version expected by May 2025. Companies failing to comply with the eventual regulations could face fines

of up to €35 million, or 7% of global annual profits.

Small and medium-sized enterprises (SMEs) will receive some leniency under the rules, being required to pay the lower rather than the higher amount between the fixed sum and percentage of turnover.

The legislation creates a three-tier penalty system:

- The highest penalties target banned AI practices that pose “unacceptable risks”, including systems that manipulate human behaviour or create social scoring systems
- Mid-level fines of up to €15m or 3% of turnover apply to breaches of various compliance obligations
- Lesser violations, such as providing incorrect information to authorities, could result in fines of up to €7.5m or 1% of turnover

Working groups will meet later this month to refine the proposals based on input from industry experts and civil society organisations. ____including representatives from EU Member States and international observers.

Among other things, the EU strives to achieve simplified compliance options for SMEs and startups, s_____

The EU aims to have the first set of compliance measures in force by August 2025, with additional requirements for the most powerful AI systems coming into effect in 2027.