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Italy has blocked Chinese AI firm DeepSeek from processing its citizens' data, becoming the first European country to do so based on EU data protection laws. The decision highlights growing European scrutiny of foreign AI technologies and potential challenges in the global AI competition.

Italy's Data Protection Authority (Garante) announced this week that DeepSeek's AI tools would be temporarily banned in the country, accusing the company of failing to comply with the General Data Protection Regulation (GDPR).

Authorities have launched a formal investigation into the Chinese developers behind the AI model, demanding transparency about how user data is collected, stored, and shared. The firms have 20 days to respond before potential fines or permanent restrictions.

The decision follows warnings from consumer groups like <u>Euroconsumers</u>, which filed complaints across Europe alleging "opaque data practices" by DeepSeek. "We need AI that allows for growth, innovation and trust while respecting consumers data, answering their needs and building on their empowerment", said Els Bruggeman, Head of Policy and Enforcement at Euroconsumers.

Italy's action has triggered a broader regulatory response. Belgium and Ireland have opened parallel probes into DeepSeek's operations, while Germany and France are reportedly monitoring the situation closely. Analysts suggest the investigations could lead to a Europe-wide restriction on the AI platform, mirroring earlier bans on platforms like ChatGPT.





At the heart of the scrutiny is GDPR compliance. Under the regulation, companies operating in the EU must obtain explicit consent for data use, allow users to correct or delete their information, and disclose how data is processed—standards Garante claims DeepSeek has not met.

"DeepSeek may be the AI world's hottest newcomer, but without robust data protection practices, its splash could turn into a GDPR compliance crisis" Theodore Christakis, law professor at Grenoble Alpes University in France, <u>commented on</u> <u>LinkedIn</u>. "Let's stay vigilant and ensure innovation doesn't overshadow privacy and regulatory responsibilities".

European Commission spokesperson Thomas Regnier confirmed on Tuesday that Europe <u>will insist in defending citizens' privacy</u>. "The services that will be offered here in the EU by providers will respect our rules. This includes, indeed, privacy requirements," he said.



