

Newsletter



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AI Act implementation: The first steps toward trustworthy AI

The European Union has taken a significant step in AI regulation with the implementation of the first provisions of the AI Act (Regulation (EU) 2024/1689). This legislation aims to establish clear guidelines for AI development and deployment and as the first comprehensive legal framework on AI, it seeks to mitigate risks while fostering innovation in the industry.

A new era of AI regulation

The AI Act introduces a structured, risk-based approach to AI governance. It defines AI systems, promotes AI literacy, and enforces restrictions on certain high-risk applications deemed unacceptable within the EU. The overarching goal is to ensure AI technologies are transparent, ethical, and aligned with fundamental human rights.

Addressing unacceptable risks in AI

The EU AI Act recognises four different levels of risk associated with AI systems:

- ☑ Unacceptable risk
- ☑ High risk
- ☑ Limited risk
- ☑ Minimal or no risk

To mitigate unacceptable risks, the AI Act explicitly prohibits practices, which must be removed from the market and/or discontinued per 2 February 2025, such as:

- ☑ Emotion recognition in workplaces and educational settings (except for medical and safety applications)
- ☑ The use of manipulative or deceptive AI techniques
- ☑ Exploitation of individuals based on vulnerabilities such as age, disability, or socioeconomic status
- ☑ Social scoring by public or private entities
- ☑ The indiscriminate collection of biometric data from the internet or CCTV footage
- ☑ AI-based predictive profiling for criminal behaviour



Violators may face strict sanctions, including fines of up to 7% of their global annual revenue or fixed penalties ranging from EUR 7.5 million to EUR 35 million, depending on the severity of the breach and business type. These financial penalties will take effect starting August 2, 2025.

Strengthening AI governance and compliance

To ensure proper oversight, the European AI Office, established in February 2024, will be responsible for supervising AI implementation across EU Member States. This body will also monitor the most powerful AI systems, particularly general-purpose AI models, to mitigate systemic risks.

Preparing for compliance: AI literacy in the workplace

Starting February 2, 2025, organizations that develop or deploy AI systems must ensure their employees are adequately trained in AI literacy. This means providing education on AI policy, ethics, and oversight to enable informed decision-making. Companies should:

- ▣ Identify key AI skills needed within their workforce
- ▣ Assess existing knowledge gaps and address them through training programs
- ▣ Develop continuous learning initiatives that evolve with AI advancements
- ▣ Partner with legal and technical AI experts to stay informed on best practices
- ▣ Timeline for Full Implementation

While the AI Act officially came into force on August 1, 2024, its full application will be phased in over the coming years:

- ▣ August 2, 2025 – Governance rules and obligations for general-purpose AI models take effect
- ▣ August 2, 2026 – The AI Act becomes fully applicable across the EU

With these measures, the EU is paving the way for responsible AI development while maintaining a strong focus on innovation. By striking a balance between regulation and technological advancement, the AI Act aims to create a future where AI serves society safely and effectively.



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