

# Guardians of Compliance: The Powers and Responsibilities of Market Surveillance Authorities in AI Regulation

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## Introduction

Market surveillance authorities play a pivotal role in upholding regulatory compliance under the EU AI Act. Empowered with significant oversight authority, these entities are tasked with monitoring and enforcing adherence to AI regulations. Their responsibilities encompass ensuring that AI systems meet stringent safety and performance standards, thereby safeguarding users and fostering trust within the EU's AI ecosystem.



Market surveillance authorities play a critical role in ensuring compliance with the EU AI Act by enforcing regulations, conducting investigations, addressing complaints, and coordinating with national and EU bodies. They have access to necessary technical information to assess high-risk AI systems and can mandate corrective actions if systems pose risks, even when compliant. Each EU member state must designate or establish at least one independent and impartial authority, equipped with adequate resources and expertise in AI, data protection, and cybersecurity. Member states must inform the European Commission about these authorities, ensure public accessibility to their contact information by August 2, 2025, and designate a single point of contact.

With the proliferation of AI technologies across various sectors, the role of market surveillance authorities becomes increasingly critical. These authorities possess the necessary expertise and resources to conduct thorough inspections, audits, and investigations to verify compliance with regulatory requirements. They have the power to impose sanctions and penalties on non-compliant entities, thereby incentivizing adherence to AI regulations and promoting accountability. In essence, market surveillance authorities serve as guardians of compliance, working tirelessly to maintain a safe and trustworthy AI environment within the EU. Their vigilance and enforcement actions are essential for ensuring that AI technologies benefit society while mitigating risks and upholding ethical standards. By fulfilling their mandates effectively, these authorities contribute to the overall success and sustainability of the EU's AI regulatory framework.

## The EU AI Act: A Regulatory Overview

The EU AI Act stands as a comprehensive regulatory framework designed to govern AI technologies within the European Union. Its primary objectives revolve around ensuring the safety and compliance with regulations and fostering innovation within the AI sector. Notably, the Act adopts a risk-based approach, with a particular focus on high-risk AI systems.

Central to the enforcement of the regulation are market surveillance authorities. These entities are tasked with monitoring and enforcing compliance with the AI Act's provisions. They play a crucial role in overseeing AI technologies' adherence to safety and performance standards, thus maintaining a secure and trustworthy AI environment within the EU. In summary, the EU AI Act aims to regulate AI technologies comprehensively, emphasizing safety, compliance, and innovation. Market surveillance authorities serve as key enforcers of the Act, ensuring that AI systems meet stringent standards and contribute to a safe and ethical AI ecosystem.

## Powers of Market Surveillance Authorities

Market surveillance authorities wield significant powers under the EU AI Act, enabling them to effectively monitor and enforce compliance within the AI sector. These authorities are vested with the power to supervise AI systems, particularly those utilizing general-purpose AI models. They have the mandate to ensure that testing procedures conducted in real-world conditions align with regulatory standards, thereby verifying the safety and performance of AI technologies.

Furthermore, market surveillance authorities play a crucial role in safeguarding fundamental rights within the AI ecosystem. They are empowered to investigate and address potential violations that may infringe upon users' rights, such as privacy and non-discrimination. By exercising their powers judiciously, these authorities uphold the ethical and legal standards outlined in the EU AI Act, promoting accountability and trustworthiness in AI development and deployment.



## Responsibilities and Enforcement Actions

Market surveillance authorities shoulder significant responsibilities in ensuring AI systems' compliance with regulatory standards. They meticulously evaluate AI systems, assessing their adherence to safety and performance criteria. In cases of non-compliance, these authorities have the authority to take enforcement actions, including imposing corrective measures and, if necessary, withdrawing non-compliant AI systems from the market. The procedure for addressing AI systems presenting a risk involves a thorough investigation and risk assessment by the market surveillance authorities.

If a system is deemed to pose a risk to users' safety or fundamental rights, appropriate enforcement measures are swiftly implemented. These measures may include issuing warnings, imposing fines, or ordering the suspension or withdrawal of the AI system from the market.

## Cooperation and Information Sharing

Cooperation and information sharing among market surveillance authorities, the AI Office, and the Commission are vital components of effective AI regulation. These mechanisms facilitate mutual assistance and joint activities, enabling authorities to exchange crucial information and coordinate enforcement efforts.

By collaborating closely, market surveillance authorities can leverage each other's expertise and resources to conduct thorough evaluations of AI systems and identify potential non-compliance issues. The AI Office serves as a central hub for information exchange, fostering communication and coordination among relevant stakeholders. Furthermore, cooperation with the Commission allows market surveillance authorities to align their actions with overarching regulatory objectives and guidelines. This collaboration ensures consistency and coherence in enforcement measures across the EU, promoting a level playing field for AI developers and users.

In essence, mutual assistance and joint activities among market surveillance authorities, the AI Office, and the Commission are essential for promoting compliance and addressing non-compliance effectively within the AI ecosystem. By working together, these entities can uphold regulatory standards and maintain trust in AI technologies across the European Union.

## Challenges and Future Directions

Market surveillance authorities encounter numerous challenges in navigating the dynamic landscape of AI regulation. One such challenge is striking the delicate balance between fostering innovation and ensuring regulatory compliance. As AI technologies evolve rapidly, keeping pace with emerging trends and advancements poses a significant challenge for authorities.

Moreover, the sheer complexity of AI systems and algorithms presents hurdles in evaluating their compliance with regulatory standards effectively. Ensuring transparency and accountability in AI development processes remains a persistent challenge for surveillance authorities. Looking ahead, enhancing collaboration and information sharing among authorities, industry stakeholders, and research institutions will be crucial for overcoming these challenges. Developing standardized evaluation methodologies and tools can streamline compliance assessments and facilitate consistent enforcement across diverse AI applications. Furthermore, investing in the continuous training and upskilling of surveillance personnel in AI technologies and regulatory frameworks will bolster their effectiveness in overseeing the evolving AI landscape.



## Conclusion

Market surveillance authorities serve as linchpins in enforcing the EU AI Act, ensuring the adherence of AI systems to regulatory standards. Their vigilant oversight safeguards fundamental rights and fosters trust within the EU's AI ecosystem. By diligently evaluating compliance and taking decisive enforcement actions, these authorities uphold the integrity of AI technologies and promote a safe and ethical environment for innovation. Their pivotal role in enforcing regulatory compliance underscores their significance in maintaining a trustworthy AI landscape within the European Union.



## Glossary

**Act or EU AI Act:** European Union Artificial Intelligence Act

**AI:** Artificial Intelligence

**Board:** European Union Artificial Intelligence Board

**EU:** European Union

**SME:** Small and Medium-Sized Enterprise

## How can we help?



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To find out how we can help you, email [contact@ai-and-partners.com](mailto:contact@ai-and-partners.com) or visit <https://www.ai-and-partners.com>.

