Three-Step Process for AI Systems Under EU AI Act

With AI & Partners

A guide on how to work AI systems to power your business potential with a market-leading approach.

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Helping You Gain AI Regulatory Excellence

Hey there! Welcome to AI & Partners' guide to navigating the EU AI Act with our three-step process. We've put together this handy document, which we affectionately call the "T-SP Document," to walk you through how we identify, classify, and manage AI systems under the EU AI Act.

Think of it as your go-to companion alongside the "Legal Text" document. In simple terms, the T-SP Document breaks down each step of the process, explaining what it involves and how it benefits you and other stakeholders like developers, deployers, providers, and authorized representatives.

We've made sure to keep everything up-to-date with the latest version of the EU AI Act as of February 2, 2024, which you can access right here. So, let's dive in and demystify AI regulation together!

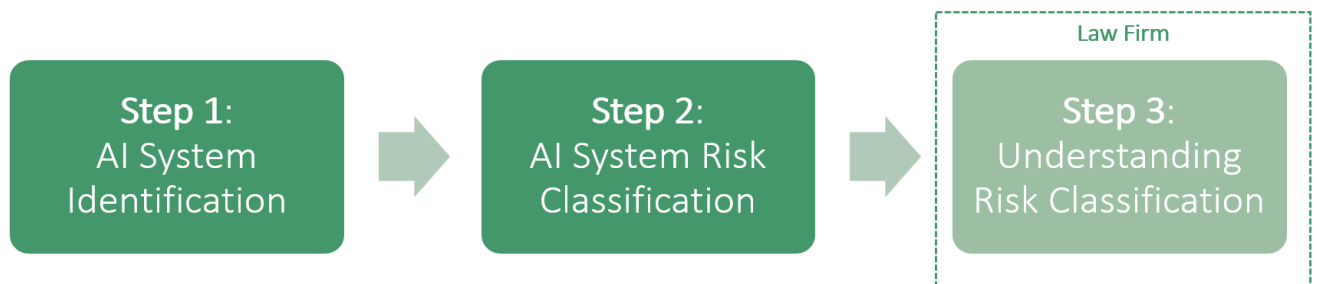## Introducing Our Approach

Spotting AI Systems: Let's kick things off by identifying the AI systems[i] your organization uses, especially those falling under the EU AI Act's radar. Keep a close eye on the high-risk ones, like safety-critical systems or standalone products that need third-party assessments[ii].

Gauging AI Risks: Once you've found them, it's time to figure out the risk level for each AI system, following the criteria laid out in the EU AI Act. You'll want to separate the high-risk ones from the rest. Annex III of the Act breaks down classifications and real-world examples, making it easier to understand[iiiii].

Getting a Second Opinion: It's always a good idea to get a fresh perspective, especially when it comes to legal stuff. Consider reaching out to law firms or other experts to double-check your risk classifications[iiiii]. They'll evaluate your AI systems based on things like Articles 5-6, Annex III, and Commission guidelines, giving you advice on what steps to take to stay compliant.
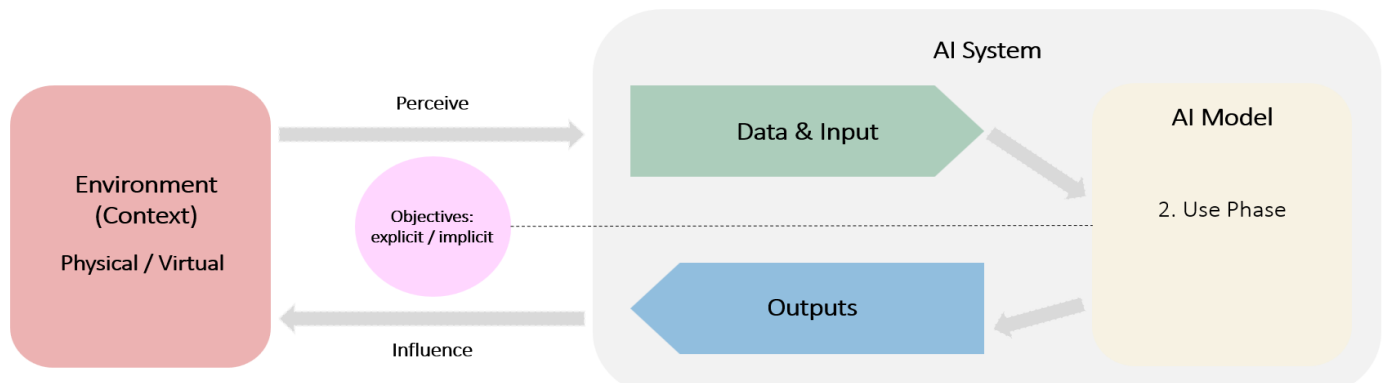
Step 1:
AI System Identification

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Step 2:
AI System Risk Classification

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Law Firm

Step 3:
Understanding Risk Classification

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Differences in Definitions

Legal

Legal: <u>EU AI Act</u>: *Machine-based system designed to operate with varying levels of autonomy and that may exhibit adaptiveness after deployment and that, for explicit or implicit objectives, infers, from the input it receives, how to generate outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments[i].*

Academic

Academic: <u>Stanford University</u>: *The science and engineering of making intelligent machines.*

> **Legal** definition is precise, formal, and regulatory-focused, whereas **Academic** definition is broader and aims for conceptual understanding. **Legal** definition ensures enforceability and compliance for EU AI Act compliance[i].

Step 1: Identify Your AI Systems

1.1 Pick Your AI Systems or Models: Start by selecting the specific AI systems or models you want to examine[iv].
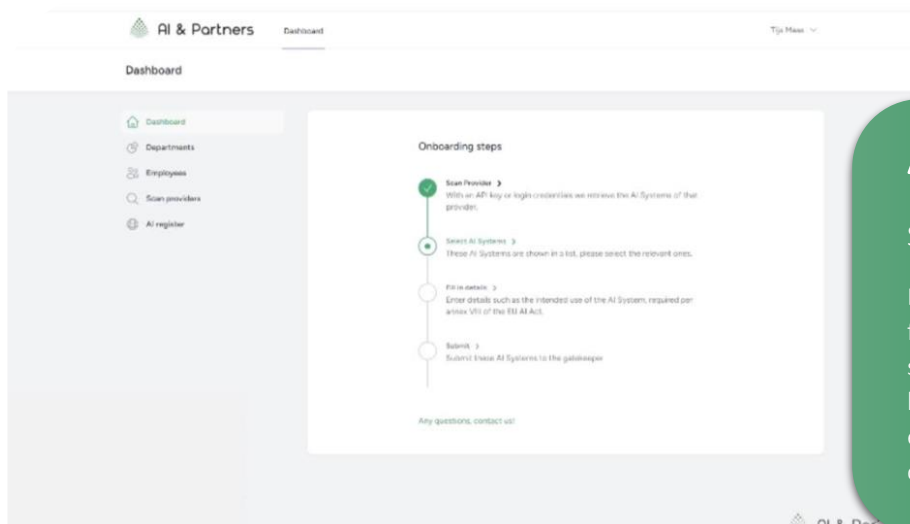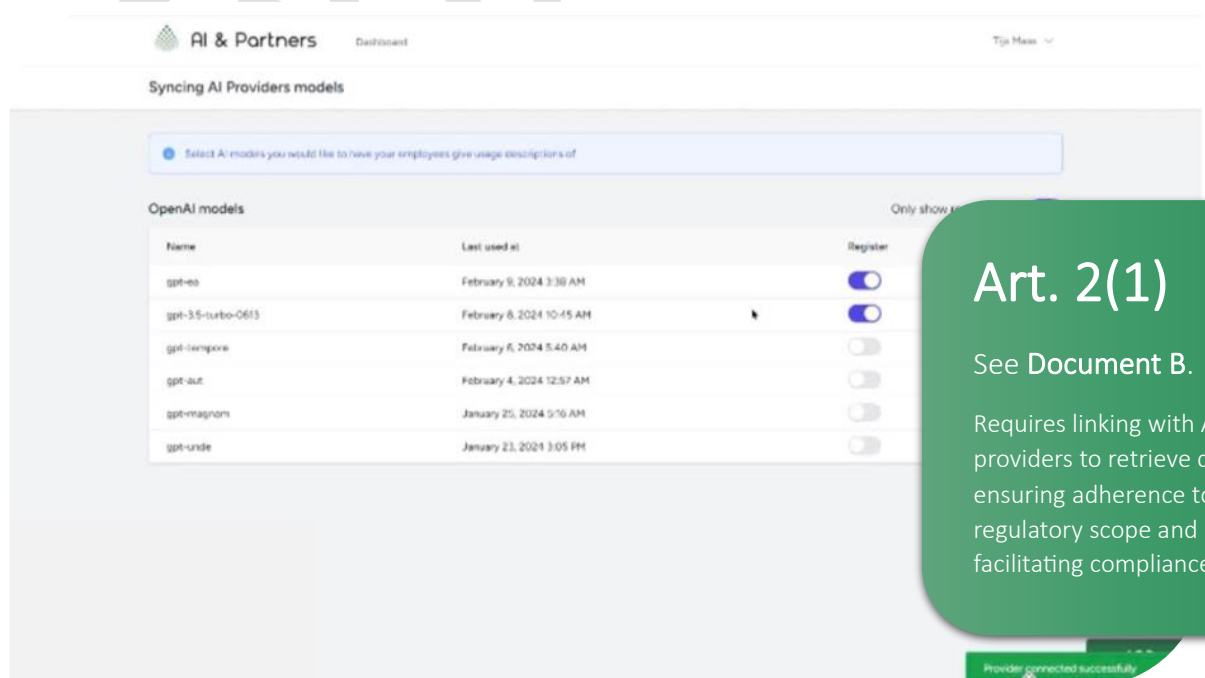

Art. 2(1)(B)

See **Document B**.

Defines regulatory framework for high-risk AI systems under Union harmonization legislation, ensuring specific compliance measures.

1.2 Register AI Systems: Facilitate registrations of AI system or model providers via authentication process. Private environments can also be scanned on a consultancy basis[iv].

Art. 2(1)

See **Document B**.

Mandates authentication for AI system or model providers, ensuring adherence to regulatory scope and compliance measures.
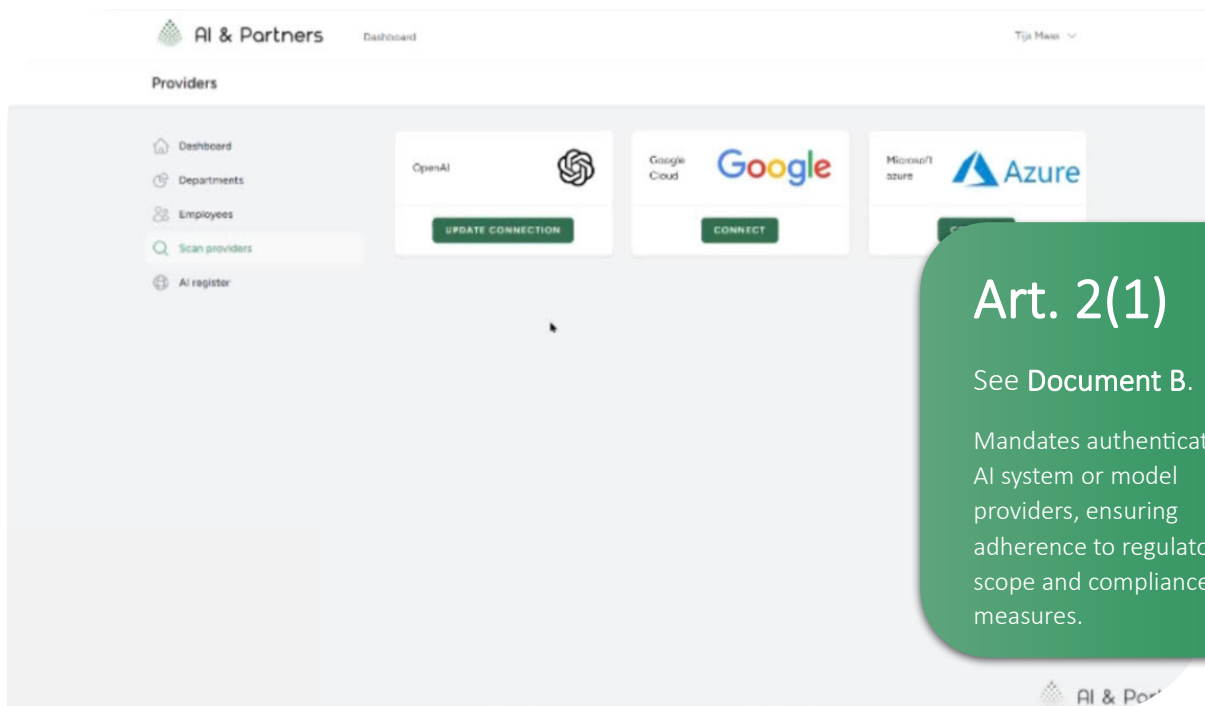
1.3 Link up with AI System or Model Providers: Get connected with AI system or model providers to retrieve data[iv].

Art. 2(1)

See **Document B**.

Requires linking with AI providers to retrieve data, ensuring adherence to regulatory scope and facilitating compliance.

Step 2: Risk Classify Your AI Systems

2.1 Wrap Up Risk Classification Assessment: Simply respond to straightforward questions, use helpful hints, and get indicative risk classifications to steer you through the assessment process[ii.]

Art. 6

See **Document B**.

Outlines the classification rules for high-risk AI systems and includes a mechanism for providers to self-assess & document this.

2.2 Wrap Up Risk Classification Submission: Once you've finished the risk classification assessment, simply submit it for validation and further processing[v].

Art. 52a

See **Document B**.

Specifies the criteria and thresholds that providers must consider when evaluating their AI systems.

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2.3 View your risk report: Export your completed assessment to a Microsoft Word document in a user friendly, clear and concise document[vi].

Art. 5

See **Document C**.

Exports the results of risk assessment to a standardised risk report to suit management needs (e.g. request from regulator).

Step 3: Understand Your Risk Classification

At AI & Partners, we believe in getting a clear and unbiased view of risk classifications. That's why we bring in external experts like law firms to review, validate, and offer advice on our assessments. These third-party evaluators look at our AI systems based on the criteria in Annex III and Commission guidelines. They'll let us know if any adjustments are needed for compliance and what legal obligations come with each risk classification[viiiiii].

Optimising the Process

Low-Risk Classification: When it comes to low-risk AI systems, we've got you covered. We make sure they meet regulatory standards effectively by ensuring compliance with ISO 42001[v].

Unacceptable and High-Risk Classification: If your AI system falls into the unacceptable or high-risk category, don't worry. AI & Partners, along with trusted third-party firms, provide comprehensive assessments and advisory services. We'll help address these classifications, minimizing legal risks and ensuring compliance with regulatory standards[viiiiii].
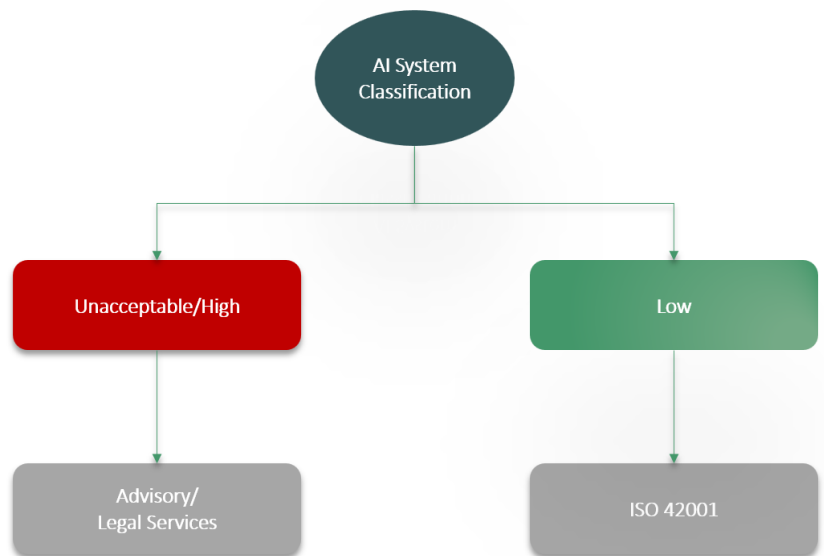
Helping You Cut Costs

Reduce costs effectively with our AI compliance process:

- **Identify** AI systems aligning with the EU AI Act swiftly and accurately.
- **Classify** risk levels precisely, avoiding unnecessary compliance expenses.
- **Engage** external expertise for unbiased evaluations, minimizing legal risks.
- **Optimize** resources by streamlining compliance efforts and avoiding fines through accurate risk assessments.

Helping You *Safely* Deploy AI Systems

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[i] Article 3 (see Document B)
[ii] Article 6 (See document B)
[iii] Annex III (See Document B)
[iv] Article 2 (see Document B)
[v] Article 52a (see Document B)
[vi] Article 5 (see Document B)

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