

Charting Progress: Overcoming Obstacles in the EU AI Act's First Year

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12. Year in Review: Reflecting on the Act's implementation and impact.

12.1 Implementation Progress

Overview of milestones achieved in the Act's rollout.

12.2 Challenges Faced

Identifying and addressing obstacles in the Act's implementation.

12.3 Impact Assessment

Evaluating the Act's effects on innovation, compliance, and market dynamics.

12.4 Future Outlook

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Introduction

The European Union's Artificial Intelligence Act (EU AI Act) represents a pioneering stride in the regulation of artificial intelligence (AI) technologies within the EU. Enacted with the ambition to foster the development of human-centric and trustworthy AI, the Act aims to ensure a high level of protection for health, safety, and fundamental rights against the potential adverse effects of AI systems. Its comprehensive scope includes harmonized rules for the AI systems' market placement, usage, and specific prohibitions on certain AI practices, alongside obligations for operators of high-risk AI systems.



Reflecting on the first year since its entry into force, it's crucial to acknowledge the European Union's challenges and hurdles encountered in navigating Artificial Intelligence this novel Act (EU AI regulatory landscape). These include ensuring compliance across a diverse range of AI applications, managing the administrative load for regulatory bodies, and fostering an environment where innovation can thrive within the confines of regulation.

The steps taken to address these challenges, such as the establishment of the European Artificial Intelligence Board for governance and the development of a risk-based approach to AI regulation, underscore the EU's commitment to creating a balanced digital future ⁵. This period of adjustment and learning sets the foundation for the Act's ongoing evolution and its role in shaping the future of AI in the EU.

The EU AI Act: Goals and Expectations

The European Union's Artificial Intelligence Act (EU AI Act) represents a pioneering legislative effort aimed at regulating the burgeoning field of artificial intelligence (AI) within the EU. At its core, the Act seeks to promote the development and use of AI technologies that are safe, transparent, and accountable, thereby ensuring a high level of protection for health, safety, and fundamental rights as enshrined in the Charter of Fundamental Rights of the European Union.

The Act establishes harmonized rules for the placing on the market, the putting into service, and the use of AI systems across the Union. It introduces specific requirements for high-risk AI systems, including obligations for operators of such systems, and sets out harmonized transparency rules for certain AI systems. Additionally, the Act aims to support innovation, particularly focusing on small and medium-sized enterprises ("SMEs") and startups, by providing measures to facilitate their compliance with the regulatory framework.

As we reflect on the first year of the EU AI Act's implementation, it's crucial to understand these foundational goals to appreciate the significance of the challenges encountered. The Act's ambitious objectives to balance innovation with the protection of public interests have set a high bar for compliance, necessitating a concerted effort from all stakeholders involved in the AI ecosystem. This overview sets the stage for a deeper exploration of the obstacles overcome and the progress made in realizing the vision of a human-centric and trustworthy AI landscape in the EU.

Identifying Challenges in Implementation

In the first year following the enactment of the EU AI Act, stakeholders across the European Union have navigated a series of challenges in adapting to the new regulatory framework. The complexities of establishing this pioneering regulation have posed initial challenges in interpretation and application, both by Member States and AI providers. This adaptation phase has been crucial for ensuring that the Act's objectives of safety, transparency, and accountability in AI are met across the board.

A significant hurdle has been the designation of notified bodies and managing the backlog in conformity assessments. The high demand for certification of high-risk AI systems, coupled with the stringent requirements set by the Act, has led to delays. This bottleneck has underscored the need for a streamlined process to facilitate timely compliance without compromising the Act's rigorous standards.



Moreover, AI providers have faced difficulties in compiling the comprehensive technical documentation required for high-risk AI systems. The Act mandates detailed documentation to demonstrate compliance with its provisions, a task that has proven to be both time-consuming and complex. This requirement aims to ensure that high-risk AI systems are safe, transparent, and accountable, but it has also placed a significant burden on providers, particularly SMEs and startups, who must navigate these requirements while striving to innovate. These challenges highlight the ongoing journey of implementing the EU AI Act, underscoring the importance of collaboration, flexibility, and continuous improvement in regulatory approaches to foster a thriving, responsible AI ecosystem in the EU.

Strategies for Overcoming Obstacles

In the first year of the EU AI Act's implementation, targeted strategies have been pivotal in overcoming initial challenges, particularly for small and medium-sized enterprises (SMEs), including startups. The Commission's development of guidelines on the practical implementation of the regulation has been instrumental in addressing SMEs' specific needs. These guidelines, coupled with support measures such as priority access to AI regulatory sandboxes and tailored communication channels, have significantly eased the compliance burden for SMEs, fostering an environment conducive to innovation and growth.

Furthermore, ensuring the competence of notified bodies has been a critical focus. The Act mandates investigations into the capabilities of notified bodies and the implementation of corrective measures to address any deficiencies. This rigorous oversight ensures that notified bodies maintain the highest standards of professional integrity and competence, essential for the trustworthy assessment of AI systems.

Lastly, the Act's provisions for evaluation and review have allowed for adaptation to technological progress and market developments. This forward-looking approach ensures that the legislation remains relevant and effective, facilitating a dynamic response to the evolving AI landscape. By incorporating mechanisms for continuous improvement, the EU AI Act is poised to remain at the forefront of AI regulation, promoting innovation while safeguarding public interests. These strategies underscore the EU's commitment to overcoming the challenges of AI regulation, ensuring that the Act not only addresses current needs but is also poised to adapt to future developments.

Looking Ahead:

Legal and Regulatory Orchestration

As the EU AI Act moves forward, a structured approach to continuous improvement and adaptation is integral to its success. Scheduled evaluations and reviews are pivotal in this process, ensuring the Act

Boards, C Suites, Startups, Scaleups and SMEs are confronted not only with the EU AI Act, but with a suite of concurrent legislative acts that collectively redefine the governance architecture of AI-enabled systems. These include, but are not limited to, the Cyber Resilience Act, Data Act, Gigabit Infrastructure Act, Cyber Solidarity Act, and the revised Product Liability Directive. The



interplay among these frameworks introduces an unprecedented level of legal, regulatory, governance, technical, and operational complexity.

The compounding requirements demand that executive leadership—particularly boards of directors and C-suite executives—undertake a fundamental revision of their digital strategy. Compliance can no longer be relegated to operational silos; instead, it must be embedded into core enterprise architecture, innovation pipelines, and capital allocation models. Strategic foresight, cross-functional governance, and proactive risk modeling are now critical boardroom competencies. These legislative regimes intersect at the nexus of AI ethics, cybersecurity, data sovereignty, sustainability, and industrial resilience, thereby requiring a unified, forward-compatible compliance architecture.

State-of-the-art regulatory harmonization is imperative. Fragmented interpretation and implementation across Member States risks regulatory arbitrage, market fragmentation, and enforcement asymmetry. Without a coordinated EU-level approach—anchored in legal interoperability, digital infrastructure standardization, and cross-border trust mechanisms—innovation ecosystems may stagnate under regulatory burden.

In parallel, targeted education, translational compliance tooling, and industry-academic-public sector collaboration will be essential to operationalize these frameworks without eroding competitiveness or stifling responsible AI innovation.

Continuous Improvement and Adaptation

As the EU AI Act moves forward, a structured approach to continuous improvement and adaptation is integral to its success. Scheduled evaluations and reviews are pivotal in this process, ensuring the Act remains responsive to the evolving landscape of artificial intelligence. The first of these evaluations, set to occur four years after the Act's entry into force, will assess the need for amendments, including the possibility of extending existing area headings or adding new ones in Annex III, alongside evaluating the list of AI systems requiring additional transparency measures. Furthermore, a comprehensive review is planned five years post-enactment, focusing on the overall effectiveness of the Act, including its enforcement structure and the potential establishment of a Union agency to address identified shortcomings.

This forward-looking strategy underscores the importance of feedback from a broad spectrum of stakeholders, including AI providers, users, and regulatory bodies. Their insights will be crucial in identifying areas for refinement and addressing emerging challenges. By embracing ongoing adaptation, the EU AI Act aims to ensure that its regulatory framework keeps pace with technological advancements, fostering an environment where innovation can flourish within a framework of safety, transparency, and accountability. This commitment to continuous evaluation and adaptation is essential for the Act to achieve its long-term objectives and maintain its relevance in the rapidly changing AI domain.



Conclusion

In the inaugural year of the EU AI Act's implementation, stakeholders encountered significant challenges, including the complexities of establishing a new regulatory framework, the designation of notified bodies, and the rigorous demands of technical documentation and compliance. These hurdles underscored the necessity for resilience and adaptability among all involved parties. Strategies to navigate these obstacles included the development of guidelines tailored to SMEs, enhancing the competence of notified bodies, and adapting regulatory measures to keep pace with technological and market developments. These efforts reflect a commitment to overcoming initial challenges, emphasizing the importance of a collaborative and flexible approach. The EU's dedication to creating a safe and trustworthy AI ecosystem is evident in its proactive measures to address and surmount these early obstacles. As the Act continues to evolve, this foundation of resilience and adaptability will be crucial in ensuring it meets its objectives and fosters innovation within a secure and transparent framework.



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

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At AI & Partners, we’re here to help you navigate the complexities of the EU AI Act, so you can focus on what matters—using AI to grow your business. We specialize in guiding companies through compliance with tailored solutions that fit your needs. Why us? Because we combine deep AI expertise with practical, actionable strategies to ensure you stay compliant and responsible, without losing sight of your goals. With our support, you get AI you can trust—safe, accountable, and aligned with the law.

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