

# 2023's Artificial Intelligence Regulations

If 2023 could be called the year of anything, it would definitely be the year of generative artificial intelligence (GenAI). After ChatGPT exploded onto the scene, many other GenAI products and additions started popping up, from Google’s Bard to just about every SaaS product under the sun having some GenAI component. It wouldn’t be long before regulation would follow. Here are some of the latest regulations and what you need to know about them now:

Feature	The EU	The UK	The U.S. - Federal
Name of the Proposal/ Legislation	The AI Act	N/A — AI Governance laws are in discussion. Guidelines are currently being published.	Executive Order on Safe, Secure, and Trustworthy Artificial Intelligence* *Please see Regional below.
Date Guidance Issued or Legislation Pending Approval	December 11, 2023* *Pending Approval at time of writing.	March 29, 2023	October 30, 2023
Which Definition of AI Does It Use?	<p>The EU’s definition recognizes risk-based harms based on different types of AI and what they produce.</p> <p>“An AI system is a machine-based system 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.”</p>	<p>The UK’s definition is in two-parts and focuses on the benefits of AI, which aligns with its approach.</p> <p>“AI systems are “trained” – once or continually – and operate by inferring patterns and connections in data which are often not easily discernible to humans. Through such training, AI systems often develop the ability to perform new forms of inference not directly envisioned by their human programmers.”</p>	<p>The U.S. definition of AI, for the purposes of the Executive Order, keeps a broad definition that focuses on how humans interact with the system.</p> <p>“A machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations or decisions influencing real or virtual environments.”</p>
Approach	Risk-Based: Different requirements for different levels of risk associated with the AI system, with a new filter system for high-risk classification.	Business-Friendly: There’s no new legislation at the moment, relying on existing regulations keeping AI in mind while approaching AI with a business-friendly mindset focused on the benefits of innovation.	Business-Friendly: Similar to the UK, the U.S. emphasizes the innovation and benefits of AI while prioritizing setting voluntary — rather than mandatory — standards for AI systems development.
Regional	<p>France, Germany, Spain, and Italy all have national AI strategies on the books.</p> <p>Frances’s Commission Nationale de l’Informatique et des Libertés (CNIL) published an Action Plan for AI, while Italy has gone so far as to place a temporary ban on ChatGPT (since lifted).</p>	N/A	8 U.S. states have issued state-level executive orders related to AI: California, Kansas, New Jersey, Oklahoma, Oregon, Pennsylvania, Virginia, and Wisconsin. Most of the EOs are specific to GenAI and its use within the state’s government, though Oklahoma broadens to include AI overall and Virginia focuses solely on AI overall and doesn’t specifically include GenAI within its EO.
Compliance & Enforcement	<p>Entry into force is estimated to begin around the end of Q2 in 2024.</p> <p>Companies will have 24 months after the AI Act enters into force to comply, though some provisions require compliance as early as six months after it enters into force.</p> <p>Fines for noncompliance will be between 1.5 and 7% of a firm’s annual global turnover.</p>	N/A — Any compliance and enforcement will depend on AI use cases within laws that are currently in place, such as the Consumer Rights Law or the UK GDPR.	<p>Compliance is voluntary at this time. NIST will set standards, but AI companies aren’t required to follow the standards NIST sets.</p> <p>Otherwise, companies creating new AI models that exceed a certain threshold will have to notify the federal government while training the AI and share the results of safety tests under the Defense Production Act. The EO also requires that federal agencies create rules and guidelines for applications related to prioritizing bias protections and data privacy.</p>