# EU AI ACT (2025)
# KEY TAKEAWAYS

ORCHESTRATO

## Purpose and Scope

- **Goal**: To ensure AI in the EU is safe, transparent, and respects fundamental rights, while fostering innovation.
- **Applies to**: All AI systems that impact people in the EU, regardless of where they are developed or deployed

## Risk-Based Classification

AI systems are categorised into four risk levels:

- **Unacceptable Risk** - Banned outright (e.g., social scoring, real-time facial recognition in public).
- **High Risk** – Subject to strict obligations (e.g., in healthcare, finance, education, law enforcement).
- **Limited Risk** – Must provide transparency (e.g., chatbots must disclose they are AI).
- **Minimal Risk** – No restrictions (e.g., spam filters, video game AI)

## Key Requirements

- **Transparency & Accountability**: High-risk AI must be explainable, auditable, and free from bias.
- **Human Oversight**: Critical decisions must involve human judgment.
- **Data Governance**: High-quality, representative data must be used to train AI systems.
- **Documentation & Monitoring**: Developers must maintain logs, undergo audits, and meet EU reporting standards

## Compliance Timeline

- **In force**: From 1 August 2024.
- **Phased rollout**: Starting with bans on prohibited AI in February 2025, with full implementation by 2030

## Penalties

- Non-compliance can result in fines up to €35 million or 7% of global annual revenue, whichever is higher

## Strategic Goals

- Reduce EU dependence on non-European AI technologies.
- Set a global benchmark for responsible AI, similar to how GDPR shaped global data privacy norms

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