



Position Paper on Artificial Intelligence

In light of the European Commission's intentions to propose a Regulation on Artificial Intelligence in Q1 of 2021, the EEA is hereby providing key guiding principles on behalf of its membership.

As the EEA and on behalf of our membership, we welcome the intentions of the European Commission to propose a Regulation on Artificial Intelligence (AI). AI provides significant potential for SMEs, especially those that either embrace digital transformation and/or seek a higher level of automation. It is also the need to be or remain competitive at the global level in comparison to other economies that heavily invest into AI. In this spirit, a regulatory context allowing SMEs to embrace the technology both in terms of implementation and contribution in the development of the technology should be strived for.

The EEA is also aware of the risks inherent to AI which requires a cautious approach towards the technology. Yet, AI itself though should not be generally seen as a risk technology. Therefore, in light of both opportunity and caution we believe that a proportional scope and approach to the pending Regulation should be considered. We therefore ask for the following baselines to be considered:

1. The Regulation should not inhibit the development of AI in Europe. We welcome a risk-based approach which does not impose unnecessary restrictions on R&D and technology roll-out, especially in light of the EU's ambition to remain competitive and innovative on a global scale. Conversely, the extension of the scope of an AI-specific EU regulation as to include automated decision making would create an unproportionate regulatory burden for various market operators.
2. The Regulation should be clear and concise in its scope and application to not allow for any discrepancies between Member States within the spirit of guaranteeing an Internal Market for AI.
3. Proportional considerations should be taken with regard to the burden on SMEs, especially when looking at a risk-based approach. Unnecessary administrative burdens which outweigh the incentive for SMEs to implement and develop AI should be avoided.
4. When further discussing a risk-based approach, it is of interest to look at both sides of the coin – i.e. the risk inherent to certain uses of the technology and the risk of not harnessing the potential of the technology. This should be done with utmost care of European values, including Data Protection and the protection of fundamental rights.
5. As AI is a fast-developing technology, it is important to avoid a constrained approach towards AI. Rather than a blanket approach, we welcome the EU institutions to sustain a continuous dialogue with industry so as to continuously define the risks and opportunities inherent to the technology. Within this spirit, we encourage the European Commission to continuously evaluate the impact of AI as a technology on SMEs and, on the other hand, the role that SMEs play in the development of AI.
6. Finally, we support ex post enforcement. We believe that an ex ante procedure could significantly increase compliance costs and unduly impact SMEs, effectively deteriorating their market position.