



AI Act

European startup and AI associations indicate the concrete measures that will enable responsible AI innovation in the EU

20th June 2023

The **Artificial Intelligence Act**, presented by the European Commission in April 2021, was adopted by the European Parliament on June 14th 2023. Its potential to become a **landmark legislation** not only in Europe but in the world implies **great responsibility**. Given the swift rise of certain AI systems, this legislation needs to ensure its continued **relevance in the years to come**, striking the **right balance between protecting users and preserving the capacity of startups to innovate and compete globally**.

In this context, European startup and AI associations **welcome the progress made in the consideration of startups and SMEs**. In view of the upcoming interinstitutional negotiations, we take the opportunity to remind policymakers the **key elements that should be included in the AI Act to sustain responsible AI innovation in the EU**:

ON HIGH RISK AI SYSTEMS: Sectors alone should not determine which AI systems are high risk or not: we support the **addition of use-cases among the criteria to determine the risk level of an AI system**. At the same time, many of the administrative procedures and time frames for high-risk systems may prove too burdensome, especially for small, fast-growing companies such as startups, who often lack in-house legal and compliance experts. For instance, **document retention requirements** may come at odds with data minimization obligations under the GDPR, while extensive **fundamental rights impact assessments** may demand startups to provide estimates they are unable to produce. Therefore, we call for **obligations proportionate to the size and resources** of companies.

ON SANDBOXES: Sandboxes should be accessible, useful and harmonized across the UE. We support the proposals to make sandboxes **free for startups and SMEs** and to lead to a **presumption of conformity** for participating companies. We also back the idea of having the Commission adopt a **delegated act** detailing the modalities for the establishment, development, implementation, functioning and supervision of sandboxes to ensure **comparable conditions apply in all Member States**.

ON GOVERNANCE: The role of the **AI Board should be strengthened** to provide concrete assistance to Member States in the implementation of the AI Act. We support the **extension of its tasks**, including the preparation of implementing and delegated acts, as well as the creation of a **permanent advisory forum** enabling the **participation of a wide range of stakeholders** to its decisions. We recommend that two other standing subgroups, one for market surveillance authorities and one notifying authorities, are also established to reinforce the **consistency of enforcement** of the AI Act across the Union. Moreover, the institution should have adequate human and financial resources, including a **dedicated budget**, and a mandate to carry out **periodic evaluations** of the impact of the Regulation on the competitiveness of the European AI sector vis-à-vis third countries.

With the AI Act, the EU has the opportunity to pioneer the world's first framework for the responsible development of AI systems. **We call on the European Commission, Parliament and Council to agree on a regulation that enables startups to innovate and stay competitive while preserving the rights and safety of users.**

Signatories' list: Allied for Startups, Associazione Italiana per l'Intelligenza Artificiale, Austrian Startups, Barcelona Music Tech Hub, Bulgarian Entrepreneurial Association, Cluj Startups, Danish Entrepreneurs, Dutch Startup Association, Estech, European Champions Alliance, European Startup Network, France Digitale, Internet Economy Foundation, Hellenic Startup Association, Italian Tech Alliance, Latitude59, Riga Tech Girls, Roma Startups, Slovak Alliance for Innovation Economy, Startup Hungary, Startup People of Sweden, Startup Poland, Startup Verband, Swiss Entrepreneurial and Startup Association.