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VANCOUVER CONVENTION CENTRE

The Wild Wild West: AI, Regulations & The Law

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AI Adoption - Principles & Concerns

Principles	Concerns
Transparency	Will we know AI is being used?
Explainability	Do we understand how the AI system creates output and makes decisions?
Bias / Discrimination	Did developer bias or data bias lead to biased output or discrimination?
Reliance	Is there human oversight? Is AI responsible for ultimate decision-making?
Use of Data / Personal Information	What data is used to train the algorithm?

Are we really in the Wild Wild West?

- Charter of Rights of Freedoms (public sector)
- Human rights legislation (private sector)
- Privacy legislation
- Specific use regulations (eg, autonomous driving, chatbots, deepfakes)
- Self-regulation (eg, AI development / use policies)
- Third-party certification (eg, ISO & NIST)

Maya Medeiros, Partner, Norton Rose Fulbright

Proposed Canadian AI regulatory framework compared to EU

Canada Bill C-27 (AIDA):

- **Defines AI** as system "that autonomously or partly autonomously, processes data related to human activities through the use of a genetic algorithm, a neural network, machine learning or another technique in order to generate content or make decisions, recommendations or predictions."
- **High impact** AI systems (criteria to be defined)
  - **Self assessment**
  - **risk mitigation** plan to identify, assess and mitigate the risks of **harm** or **biased output**; and **monitor** risk mitigation measures
- **Publication**, **record keeping**, **notification** of material harm
- **Enforcement:** orders, monetary penalties, criminal sanctions

EU AI Act:

- **Defines AI** as system designed to "operate with elements of autonomy" which "infers how to achieve given objectives" and "generates outputs influencing the environment with which it interacts"
- **Prohibited AI Systems** e.g. manipulate behaviour, exploit vulnerabilities, remote biometric IDs
- **High Risk** AI Systems: specific use cases or already subject to product safety laws; exceptions
  - risk and conformity assessments, data governance, controls on training data, record keeping, transparency, post market monitoring.
- **General Purpose** AI models: subset of rules apply
- **Enforcement:** Member state level regulatory oversight, fines

NRF

US? UK? China?

Bill C-27 – Part 3: AI Data Act

The good

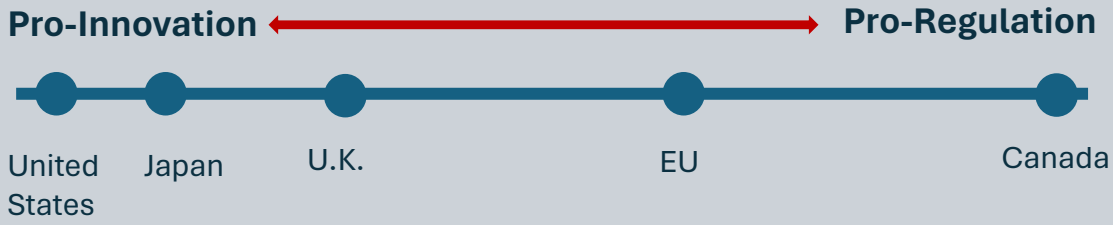
Recognizes that there are various actors in the AI value chain: Developers, Deployers, Users

Requirements

- Impact assessments
- Human oversight
- Reliability testing
- Transparency
- Independent audits

Potential Challenges

AIDA is out of step with our G7 trading partners



- Overly broad approach to:
  - High-impact systems
  - General-purpose systems
  - Machine learning models
- Failure to comply is “criminal offence”