

Virtual Roundtable: For Fostering innovation and entrepreneurship in AI

As we already knew, AI is a tool to serve society. It must never compromise our values. For startups, governance and policy definitions can provide a clear and encouraging pathway from idea to startup and scale-up, provided they are robust, grounded in pragmatic best practices, and keeping administration reasonable. But the opposite is a direct threat to the fostering of innovation and entrepreneurship within the EU. Therefore we sought to gather stakeholders from the Council, Commission, and Parliament together with startups, scaleups, and academics for virtual debate and an honest discussion on AI and the future of AI innovation in the EU.

Startups and entrepreneurs across the EU welcome the Commission's proposal for harmonized rules on artificial intelligence that demonstrate the willingness to strengthen the EU's uptake, investment, and innovation in AI. While we fully support the aim of regulating AI to safeguard EU values and establish trust, the current proposal does not provide ideal mechanisms to stimulate innovation and entrepreneurship in AI solutions when adopted in practice: To succeed as startup nations in Europe we need regulation to be implementable by everyone and constructed through the lens of a startup.

Werner Stengg (Cabinet Member, Commissioner Vestager) was clear when he stated *"This is the first legislative proposal of its kind, and we are just into the first reading"* The new regulatory burden should not discourage AI founders and investors from engaging in Europe. We want to make sure that the compromise recognizes the startups and SMEs and takes notice of the fact that AI is not a threat to modern society, but an opportunity, not only for European businesses but also for citizens as MEP Løkkegaard said.

Looking forward towards Parliament negotiations...

We want to see the vague definitions become more clear. The lack of clarity on the scope of the Regulation, the difficulty of implementing certain obligations, and their expected impact on startups, especially those in high-risk sectors could diminish AI opportunities for EU consumers.

We welcome the positive changes which the compromise text proposed at the start of January 2022 by the Council of the EU. Unnecessary provisions have been removed and the obligations are more nuanced towards startups and SMEs. Policymakers should build upon these first amendments to design AI rules that startups can comply with from day one.

To sum up, summarizing the highlights from the event we expect the European Parliament to:

- Create a clear and predictable regulatory environment fostering investment in the development and deployment of AI.
- Minimize administrative and regulatory compliance costs for startups and ensure that the regulation is effective.
- Avoid overlaps and inconsistencies with other regulations such as the GDPR, the Medical Device Regulation, and the upcoming Data Act.

Many thanks to the online participants and a special thanks to the speakers who took time out of their calendar to discuss this very important matter.

- o Morten Løkkegaard, Member of the European Parliament, Renew
- o Werner Stengg, Cabinet Member to Executive Vice President Margrethe Vestager, European Commission
- o Marcel Kolaja, Member of the European Parliament, Greens/EFA
- o Julia Fenart, Head of European Affairs at France Digitale
- o Renaud Vedel, Coordinator of France's National AI Strategy Global Partnership on AI's Steering Committee Co-chair
- o Lars Maaløe, CTO, Corti
- o Hugo Ruggieri, Legal Director, and DPO, Doctrine
- o Stephen Alstrup, CEO and Professor, Algorithms, and Complexity
- o Lars Maaløe, Co-founder & CTO, Corti
- o Dirk Staudenmayer, Head of Unit, DG Connect, European Commission

Feel free to share your opinion and let us know your story!

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