

Strengthening the EU AI Framework for Innovation and Clarity

Objective

Recommendations to help ensure that the EU AI regulatory framework safeguards fundamental rights while also promoting innovation, competitiveness, and investment across the European ecosystem.

I. **Establish a Clear Innovation Mandate**

Introduce an explicit legal mandate and accountability framework for both EU and national AI regulators by maintaining the amendment put forward in the EP text that includes language mandating enforcement of the AI Act in the spirit of innovation in Article 74. Expand it from national authorities to also include the AI Office.

- **Rationale for supporting the EP’s version:** Innovation principle/mandate encompasses the true spirit of simplification goals. It is vital that EU policy makers safeguard such an approach for the AI industry in Europe. This is equally applicable to the AI Office, and as such it should be expanded.

II. **“Stop the Clock” on Implementation**

Pause the implementation of the full AI framework—including rules for General-Purpose AI Models (GPAIM)—rather than limiting the delay to the high-risk regime alone.

- Align all grace periods under a single application date.
- Extend this transition period to at least **August 2028**.
- Include GPAIM and transparency obligations within this extended timeline.
- **Rationale:** This pause will create the necessary space to conduct a comprehensive, competitiveness-driven review—one that should have accompanied the original proposal. A coordinated delay will also provide legal certainty and allow companies to prepare effectively for compliance.

III. **Article 5 (Nudification Ban): Prefer European Parliament Language**

- Support the European Parliament’s proposed wording for Article 5.
- **Concerns with the Presidency Proposal:**
 - The current language is overly broad and ambiguous.
 - It creates significant uncertainty for companies attempting to interpret and implement compliance measures.
- **Rationale for supporting the EPs version:**
 - It introduces a clear carve-out for AI systems that incorporate effective safety measures.
 - It ensures that the prohibition does not unintentionally restrict the development of underlying AI capabilities.
 - Adopting the Parliament’s version would provide clearer guidance, reduce legal ambiguity, and better balance safety with innovation.

Annex

Suggested text by the European Parliament on article 74

Suggested text: *In article 74, the following paragraph is inserted: 15. In exercising their powers under this Article and Regulation (EU) 2019/1020, market surveillance authorities shall take into account the impact of their enforcement actions and the regulatory initiatives on competitiveness and innovation, ensuring that measures taken are proportionate.*

Suggested text by the European Parliament on article 5

Suggested text: *The placing on the market, the putting into service or the use of an AI system that alters, manipulates or artificially generates realistic images or videos so as to depict sexually explicit activities or the intimate parts of an identifiable natural person, without that person's consent.*

This prohibition does not apply to providers of AI systems who have put effective safety measures to prevent the generation of such depictions and to avoid misuse continuously after the system has been placed on the market or put into service.

This prohibition shall not prevent AI providers from developing any capabilities referred to in the first subparagraph.