

EU Council on Artificial Intelligence

Simplified European Directive

"How can we frame the development and use of artificial intelligence in the European Union, in order to maximize economic and social benefits while guaranteeing the respect for fundamental rights, the safety of all citizens, and full transparency? "

Chairs: Carlota Martin, Noemí Arthur, Gaspar SanchezOfficial language: AnglaisFinal voting method: qualified majority

EUROPEAN COMMISSION DIRECTIVE:

In recent years, artificial intelligence has emerged as a transformative force across multiple sectors, driving innovation, efficiency, and economic growth. These technologies are increasingly influencing decision-making processes that impact individuals, businesses, and governments alike. Alongside its benefits, Artificial Intelligence also pose ethical and socio-economic challenges.

The European Union, as a leader in technological regulation and digital rights protection, must ensure that AI development aligns with European values, including human dignity, democracy, fairness, and the rule of law. To do so, the drafting of a clear harmonized legal framework is crucial. This legislative proposal should promote responsible AI innovation while safeguarding fundamental rights, security, and public trust.

This legal initiative aims to establish common rules and obligations for the development, deployment, and oversight of AI systems used within the European Union. This legislative proposal, therefore, calls for a coherent, EU-wide strategy to regulate AI in a manner that protects individuals, promotes innovation, and strengthens Europe's position as a global leader in responsible AI governance.

SECTION I: MANAGEMENT OF PERSONAL DATA AND PROTECTION OF CITIZENS

Article 1: We strongly recommend the establishment of legislation specialized in the use of AI and preventing risks for both our society and our citizens. This new legislative system should safeguard privacy while also ensuring complete transparency as well as trust, ethics and democratic values. Member states may only use AI-enhanced surveillance systems strictly to prevent, investigate, or prosecute serious crimes and national security threats. Such systems must comply with GDPR and the EU AI Act, ensuring transparency, necessity, proportionality, and strict human oversight.

Access to collected data requires judicial approval and independent oversight to prevent misuse. AI-driven surveillance must be explainable, accountable, and free from bias, with privacy-enhancing measures to protect fundamental rights, supporting a human-centered AI governance, ensuring public safety without compromising democratic values or individual freedoms.

Article 2: Any unlabeled and non-consensual deepfake content created involving a citizen, will be considered a potential attack on their public image, person, and dignity. Strict measures should be implemented to regulate the creation and distribution of such content. Platforms, programs, and users involved in malicious or deceptive deepfake production may face sanctions, depending on the intent and impact of the content.

Exceptions may be considered for educational purposes, as well as in artistic and journalistic contexts. AI-generated content must be clearly labeled as such to allow for such exceptions.

Judicial authorities must intervene to assess the severity of each case, ensuring that legal actions align with democratic principles and fundamental rights.

Article 3: Workers who lose their jobs due to AI automation will receive an education subsidy, financed by the EU, and determined by each member state based on its GDP.

Each state will also offer education and upskilling programs to help displaced workers acquire new skills and re-enter the workforce, tailored to local job market needs. Additionally, workers will benefit from lower taxes for six months to one year, based on their income, to alleviate the financial burden during their transition period.

Article 4: All AI systems used in hiring, financing, healthcare, and public services across the European Union must undergo mandatory bi-annual fairness evaluations to detect and mitigate discriminatory bias. These evaluations shall ensure compliance with the EU AI Act, GDPR, and fundamental rights protections, promoting transparency, accountability, and fairness in automated decision-making. AI systems must be subject to independent audits, risk management frameworks, and human oversight mechanisms to prevent biased outcomes. Non-compliance will result in corrective measures, regulatory scrutiny, and potential sanctions, ensuring AI remains lawful, ethical, and non-discriminatory throughout the EU.

Article 5: AI seminars shall be included in the final years of higher education to equip students with essential knowledge of AI, its tools, and its implications. These training programs shall also be available for individuals undergoing professional reintegration and integration. AI awareness shall begin in middle school through dedicated courses alongside Technology classes. The goal of such classes will be not only to teach about the use of AI but also to present its dangers and the way its use can threaten citizens. Meanwhile, high school students shall benefit from expert-led interventions. AI education efforts shall extend to companies, retirement homes, and public spaces to promote an understanding of its benefits, risks, and ethical concerns. Public awareness campaigns shall be conducted through television, radio, and social media platforms.

SECTION II: REGULATIONS RELATED TO GEOPOLITICAL STAKES

Article 6: Funding for AI military research within the European Union shall be subject to strict ethical and security conditions. Projects seeking funding must comply with international humanitarian law, European ethical guidelines, and fundamental rights protections, ensuring that AI applications in defense align with democratic values and human oversight. The EU shall prioritize projects that enhance defense

capabilities rather than enhancing offensive capabilities while upholding ethical standards and minimizing risks to civilian populations.

Article 7: Funding for AI military research within the EU will be subject to specific conditions, depending on whether the project meets certain ethical guidelines or security concerns.

Article 8: The EU strictly prohibits social media platforms and algorithms from facilitating the creation or spread of deep fakes that manipulate democratic elections or degrade, defame, and misrepresent the dignity of political candidates. This includes explicitly banning AI-generated pornographic content targeting the latter.

To ensure transparency, all AI-generated content must be clearly labeled in order to maintain freedom of speech. While fact-based political discourse remains protected under free speech, the deliberate use of misleading deepfakes to deceive the public will be subject to strict regulation and potential sanctions, depending on the committee of judges decided by the targeted country.

SECTION III: THE ENVIRONMENTAL IMPACT OF ARTIFICIAL INTELLIGENCE AND ITS USE IN THE HEALTHCARE SYSTEM

Article 9: The use of AI systems in medical fields must follow strict guidelines and provide full transparency to patients about how AI systems are used in their diagnosis, treatment, and care. A bi-annual evaluation of the latter will be implemented by experts in the field, standardized on a European scale. The use of autonomous AI systems that can be life-threatening or life-altering (i.e., surgery systems) is prohibited. In return, the development and testing (not on living beings) of such systems will be encouraged and funded by the European Union and private parties. The research of all AI medical systems will be shared across the European Union. Patient data remains strictly anonymous in line with the GDPR. To support compliance and encourage innovation, development subsidies shall be provided to address potential limitations and facilitate responsible integration.

Article 10: In the event of a misdiagnosis, malpractice, or any other adverse consequences resulting from AI use in healthcare, the legal responsibility shall be shared among the AI developer, the healthcare provider, and the institution deploying the system.

A European-wide liability framework shall be established to ensure fair distribution of accountability, preventing any single party from bearing disproportionate legal risks while maintaining adequate protection for patients. This framework will also provide guidance on the legal recourse available to affected individuals, ensuring access to justice and fair compensation. The Product Liability Directive ensures that victims can claim compensation from manufacturers when they suffer damage caused by a defective product. The liability committee of judges will ensure its reliability.

Article 11: The European Commission shall introduce an "Eco-AI" certification label to incentivize the development and deployment of AI systems that meet strict, verifiable standards for energy efficiency and carbon neutrality. This certification will apply across sectors and be recognized at the EU level, prioritizing models that align with the Union's Green Deal and the "Fit for 55" objectives, reinforcing Europe's commitment to climate neutrality by 2050.

Article 12: AI models with high energy consumption must operate predominantly using renewable energy sources to align with the EU's climate goals and energy transition policies.

Additionally, Member States shall introduce progressive taxation on AI systems that exceed predefined energy consumption thresholds, with tax revenue reinvested into sustainable AI research and development and energy-efficient innovation. All companies developing and deploying AI systems shall be required to report bi-annually on the environmental impact of their operations. This measure aims to strike a balance between fostering technological progress and ensuring that AI deployment does not place an excessive burden on environmental resources. Our objective is to harmonize taxation policies while ensuring fairness for businesses across different energy grids and economic conditions.

SECTION IV: THE JURISDICTIONAL SCOPE SURROUNDING ALGORITHMS

Article 13: All platforms utilizing AI to generate content based on copyrighted works must have secure licenses from the original creators, ensuring that intellectual property rights are respected. AI systems determined by the EU AI Detection Commission will detect potential copyrighted content. In case of a lawsuit, judges from the EU AI Detection Commission will further investigate the case. Unauthorized use of copyrighted material shall be considered plagiarism, and platforms found in violation will face legal and financial penalties as determined by European intellectual property laws. To streamline compliance and facilitate fair compensation for creators, we advocate for a harmonized European licensing system, which will simplify the process of securing rights while ensuring accessibility to AI innovations across the Single Market.

Article 14: All AI-generated works should be protected by the Intellectual Property system but not licensed. The rights shall be shared equally between the creator of the algorithm, the developer, and the user. The algorithm used in such creations will be subject to copyright protection.

Article 15: High-risk AI algorithms, particularly those affecting fundamental rights, financial stability, or critical infrastructure, must operate under strict transparency standards. Developers must provide clear documentation on training data sources and decision-making processes, ensuring full compliance with GDPR and ethical AI principles. An independent European AI Transparency Authority shall be established to oversee compliance, conduct audits, and investigate AI models suspected of bias or harm. AI-generated works shall be subject to public transparency through a public registry or a digital database.

This institution will also promote AI education programs in business sectors and research institutions, prioritizing those that contribute to ethical AI development. This program will be funded by EU members proportionally to their GDP as well as private investors. **Article 16:** A European AI Transparency Authority shall be established to oversee compliance, conduct algorithmic audits, and investigate black-box AI systems suspected of bias or harm through clear guidelines. This authority will also be responsible for promoting and overseeing the implementation of AI education programs in training centers, businesses, and research centers, prioritizing sectors where AI is essential for economic and technological growth, such as information and communication, high-tech goods, retail, or financial services. AI-related competencies to allow for digital literacy will be introduced into countries' national education systems. To ensure its financial sustainability and operational efficiency, funding for this Authority will be shared proportionally among Member States in proportion to their GDP, considering economic disparities to ensure fair contributions.

*High-risk algorithms: defined in <u>article 6 of the EU Artificial Intelligence Act</u>: Is a high-risk algorithm that is intended to be used as a safety component of a product, or the AI system itself is a product whose safety component is required to undergo a third-party conformity assessment.

**Black-box AI systems: AI models that make decisions or predictions without providing a clear explanation of how they arrived at them