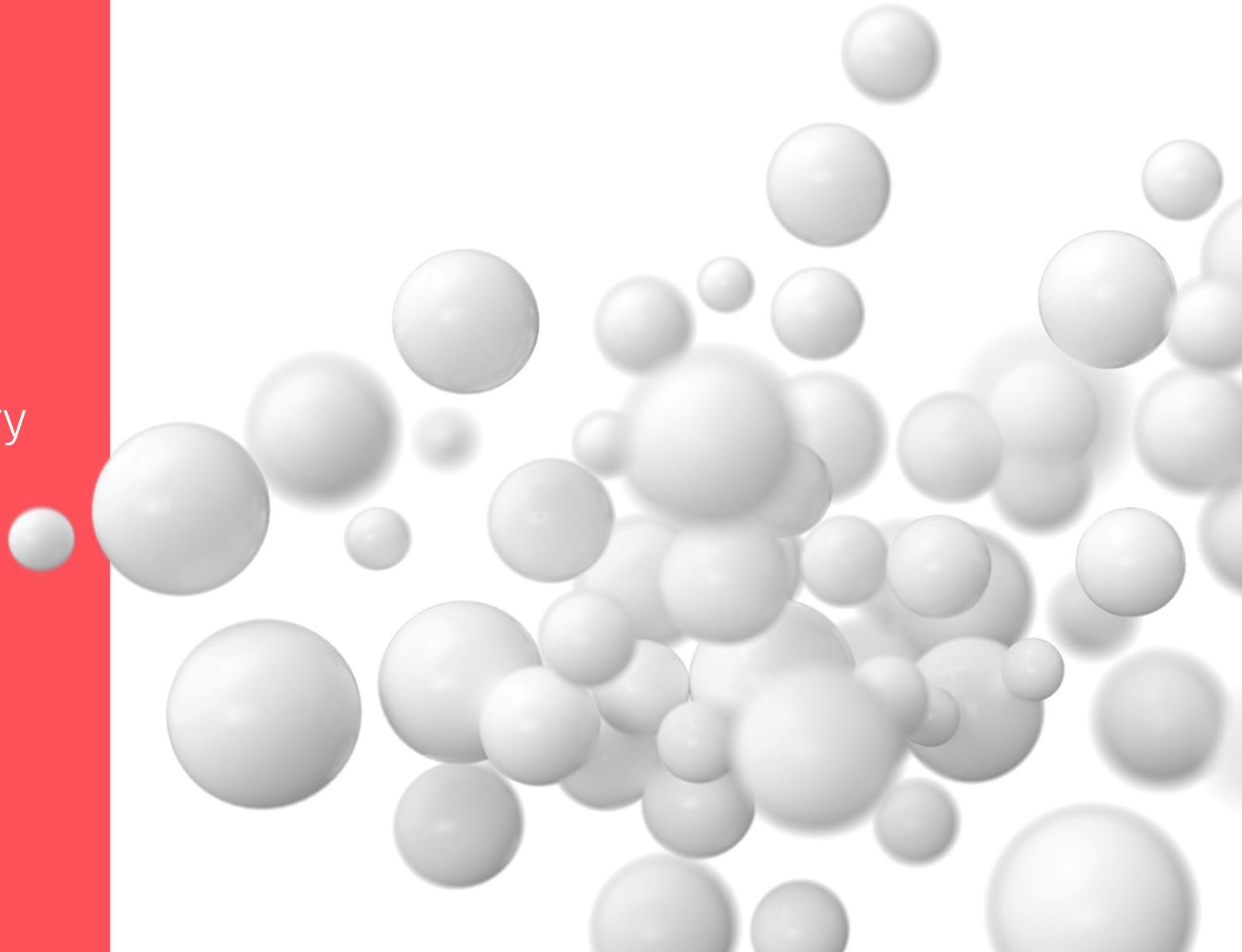


AI: stay smart

2020, Q1

Key legal, policy and regulatory updates in artificial intelligence





Illinois AI Video Interview Act comes into force

1 January 2020

| Who is affected? | What is it? | What should I do? |
|---|---|---|
| <p>General interest, particularly to organisations using AI in recruitment</p> | <p>Being the first of its kind globally, Illinois has implemented specific legislation to regulate the use of AI in video interviews in the context of recruitment.</p> <p>Companies subject to the Act must:</p> <ul style="list-style-type: none"> • Notify applicants that AI may be used to assess their video application • Provide information to applicants about how the AI works • Obtain the applicant’s consent to the use of AI in the video interview | <p>The Act obviously has only limited application (both geographically and in its scope), but it is interesting to already see legislation regulating AI in this context.</p> <p>Using AI in recruitment processes is controversial. It raises questions about the accuracy and fairness of AI systems, and the possibility of bias and discrimination. Employers intending to use AI in this context should be wary about these risks and note that future legislation in this area is likely.</p> |
| <p>Financial institutions operating in (or with institutions in) Hong Kong</p> | <p>The HKMA’s comprehensive report discusses AI adoption amongst financial institutions in Hong Kong and recommends ways in which Hong Kong can become an AI innovation hub. Appendix B contains an interesting survey of how Hong Kong-based financial institutions are already using and planning to use AI.</p> | <p>Chapter 5 of the report contains a useful insight into how the HKMA expects AI to be implemented and governed in organisations. The governance concepts discussed in this section (responsible AI, ethical AI, explainability, fairness etc.) are consistent with the messaging from regulators in other jurisdictions.</p> <p>Financial institutions using AI are advised to assess their governance and compliance structures and, if deficient, to implement changes to ensure their AI use is consistent with the HKMA’s messages.</p> |
| <p>Companies currently based in Singapore or interested in expanding into Singapore</p> | <p>The Personal Data Protection Commission released the second edition of its Model AI Governance Framework. Other recent successes include Punggol becoming a ‘smart town’ (more here) and the Coronavirus TraceTogether app (more here). Read the Second Edition Model Framework here.</p> | <p>Please note, this is guidance and therefore not mandatory.</p> <ol style="list-style-type: none"> 1. Review the Guide to see how compliant your company already is 2. Feedback on the Model Framework via email. 3. Contribute to Singapore’s National AI Project by completing this form. |



Hong Kong Monetary Authority (HKMA) issues report on AI in banking industry

January 2020



Second Edition of Model AI Governance Framework released in Singapore

January 2020



CDEI recommends increased regulation of ad targeting and content personalisation

4 February 2020

| Who is affected? | What is it? | What should I do? |
|--|--|--|
| <p>Companies developing or deploying targeting AI systems in the UK</p> <p>Marketing teams</p> | <p>The CDEI has published recommendations to make online platforms more accountable, increase transparency, and empower users to take control of how they are targeted.</p> <p>You can read the full report here.</p> | <p>Start preparing for greater regulation for online platforms.</p> <p>For example, increase transparency of targeted advertising and create or adapt an assessment of the impact of current AI systems.</p> |
| <p>Public sector companies using AI within the UK</p> | <p>The report recognises that automated decision-making will revolutionise many administrative tasks and recommends a new regulatory framework that sets clear legal boundaries on the use of AI in the public sector. The report also details a new poll on the public opinion of AI.</p> <p>You can read the full report here.</p> | <p>Prepare for tighter regulation now by, for example, reviewing your use of AI and the impact AI has on your workforce and drafting AI principles that seek to address any negative effects.</p> |
| <p>Companies developing or deploying AI in the UK</p> | <p>The framework comprises of proposed auditing tools and procedures and indicative risk and control measures that organisations and individuals can deploy when they use AI to process personal data.</p> | <p>Respond to the consultation before 1 May 2020. We can assist with this if helpful.</p> |



Report by the Committee on Standards in Public Life on use of AI in public sector

10 February 2020



ICO consultation on draft guidance on AI auditing framework

19 February 2020



European Commission White Paper on AI

19 February 2020

| Who is affected? | What is it? | What should I do? |
|---|---|--|
| <p>Companies developing or deploying AI in the EU</p> | <p>The White Paper proposes a package of policies, including measures to improve research and development, developing a skilled workforce and promoting the use of AI in the public sector.</p> <p>The majority of the White Paper covers proposals for a regulatory framework for AI (through updates to existing EU legislation and new AI-specific regulation), designed to achieve the Commission’s ambitions for trustworthy AI.</p> <p>To find out more, please read our insight article.</p> | <ol style="list-style-type: none"> 1. Respond to the consultation before 19 May 2020 (we can assist with this if helpful) 2. Start preparing for regulation now eg. by: <ul style="list-style-type: none"> • Considering whether AI applications are transparent, robust, accurate and have sufficient human oversight. • Retaining records of the development and training of their AI applications. • Creating or adapting internal governance structures for AI use, ideally combining technical, legal and compliance functions. |
|  <p>FCA article on transparent AI in financial sector</p> <p>19 February 2020</p> | <p>As part of its collaboration with The Alan Turing Institute, the FCA has published an article emphasising the benefits of transparent AI in the financial services sector: AI Transparency in financial services – why, what, who and when?</p> <p>To find out more, please read our insight article.</p> | <p>Regulators will start to expect more transparency from FIs on their use of AI. Be ahead of the curve and ensure you are able to explain your use of AI (e.g. through explainability statements, AI principles, internal training and board briefings).</p> <p>We can assist you with this through our AI Healthcheck and Compliance Framework service. Please feel free to get in touch with us about this.</p> |
|  <p>Equality & Human Rights Commission (E&HRC) publishes UN submission regarding new technology</p> <p>12 March 2020</p> | <p>Later this month, the UN will review evidence about the UK’s compliance with the International Covenant on Civil and Political Rights. The E&HRC have submitted their recommendations including tighter regulation of facial recognition software by the police.</p> <p>Read an executive summary here and the recommendations here.</p> | <p>It is likely that this UN review will be postponed following the COVID-19 pandemic.</p> <p>We will publish an update once the UN releases its recommendations.</p> |

Contact us for further information:

simmons
+simmons



Minesh Tanna

AI Lead, Managing Associate

+44 (0) 20 7825 4259

Minesh.Tanna@simmons-simmons.com



William Dunning

Associate

+33 1 5329 1627

William.Dunning@simmons-simmons.com



Emily May

Trainee Solicitor

+44 20 7825 3881

Emily.May@simmons-simmons.com

simmons-simmons.com

STRICTLY PRIVATE AND CONFIDENTIAL

© Simmons & Simmons LLP and its licensors. All rights asserted and reserved. This document is for general guidance only. It does not contain definitive advice. Simmons & Simmons LLP is a limited liability partnership registered in England & Wales with number OC352713 and with its registered office at CityPoint, One Ropemaker Street, London EC2Y 9SS, United Kingdom. It is authorised and regulated by the Solicitors Regulation Authority and its SRA ID number is 533587. The word "partner" refers to a member of Simmons & Simmons LLP or one of its affiliates, or an employee or consultant with equivalent standing and qualifications. A list of members and other partners together with their professional qualifications is available for inspection at the above address.

