

Dear Mrs. Henna Virkkunen
Executive Vice President for Tech Sovereignty, Security and Democracy

Dear Mr. Stéphane Séjourné
Executive Vice President for Prosperity and Industrial Strategy

Dear MEPs from the AI Act Monitoring Committee

Dear Ambassador Pluciński
Polish Presidency of the Council of the European Union

Brussels, 17 December 2024

Re: Industry Concerns on the Artificial Intelligence Act Implementation

The undersigned European tech companies wish to raise urgent concerns regarding the ongoing discussions and policy developments surrounding the Artificial Intelligence (AI) Act. We call on policymakers to ensure the Act supports Europe's tech ecosystem and global competitiveness.

Pace of Discussions

While we generally support a multistakeholder approach that enables industry to contribute to the drafting process, the rushed pace of deliberations on the AI Act's secondary legislation (e.g., Guidelines and the General-Purpose AI (GPAI) Code of Practice) limits stakeholders' ability to provide meaningful input. This approach disproportionately benefits large, resource-rich companies while sidelining smaller European innovators.

It is essential that European companies have the opportunity to participate in standard-setting processes that directly impact their ability to invest and innovate. Given the technical and detailed nature of these draft codes and guidelines, stakeholders need a reasonable and proportionate timeframe to respond. For example, we suggest extending the feedback deadline for the GPAI Code of Practice V2 to the second half of January 2025. Additionally, a tentative timeline for each consultation round, updated as needed, would help businesses allocate resources effectively. Finally, we encourage the Commission to further strengthen the AI Office by increasing its capacity to manage these processes efficiently.

Transparency

Transparency is essential. We urge the GPAI working group Chairs and the AI Office to provide clear summaries explaining how stakeholder contributions are evaluated and integrated. Publishing these alongside the draft Code of Practice and final Guidelines would foster trust and inclusivity in the process.

Resource Allocation

The amount of initiatives stemming from the AI Act, such as the drafting of the GPAI Code of Practice, Guidelines, 10 standards working groups, and the AI Pact, demands significant resources (e.g., time, staff). As a result, European tech companies are left questioning how best to allocate their resources across numerous initiatives. This may ultimately lead to standards being set by a handful of large international corporations with near-unlimited resources, something most companies do not possess, placing us at a considerable competitive disadvantage. Moving forward the European Commission must ensure that the processes are accessible to all actors, including European tech actors.

Definition of Artificial Intelligence System

The definition of an AI System remains a critical concern. For instance, statistical methods (e.g., regression models), decision trees, and expert systems should not be considered as an AI System and be explicitly excluded. Failing to do so adds unnecessary complexity and costs for users, undermining Europe's competitiveness and principles of "better regulation". Clarifying the definition and excluding these methods aligns with the OECD's updated definition of AI Systems. The current wording leaves room for overly-wide interpretation, creating potential legal uncertainty and confusion.

Prohibited Practices

The list of prohibited AI practices must be interpreted narrowly to prevent stifling innovation or conflicting with the AIA's high-risk classification. Commission guidelines should clarify that AI prohibitions meet the highest threshold, as they restrict the fundamental right to conduct a business. The guidelines should refrain from expanding the list of prohibited practices or promoting an overly broad interpretation of the AI Act's provisions. A restrictive interpretation is essential for harmonised application across Member States, a level playing field in the Single Market, and Europe's global competitiveness.

High-Risk Use Case Guidelines

When drafting the high-risk use case guidelines, the Commission should adhere strictly to a risk-based approach, limiting high-risk classification to use cases that pose genuine threats to health, safety, or fundamental rights, as defined in the AIA. We encourage the Commission to consult industry as early as possible on the draft guidelines.

In addition, the six-month compliance window following the publication of high-risk use case guidelines (expected in February 2026, with compliance by August 2026) is too short. Companies risk wasting resources preparing for requirements that may not apply, while insufficient preparation time could lead to non-compliance. We urge policymakers to accelerate the preparation and publication of these guidelines.

Interplay between EU initiatives and Regulations

Clear guidance on the interaction between the AI Act and existing frameworks, including the General Data Protection Regulation (GDPR) and the Digital Services Act (DSA) is essential. Divergent interpretations by national authorities or overlapping requirements could create significant legal uncertainty, impeding European companies' ability to innovate and compete globally.

Secondary initiatives stemming from the AI Act must also align seamlessly, like pieces of a puzzle, to avoid creating a fragmented regulatory patchwork.

Global Impact and Competitiveness

Following the Draghi Report, the AI Act must support global competitiveness. European actors should not face more stringent rules than their international counterparts. For instance, excessive compliance costs may push companies to train AI systems outside the EU. Such practices could compromise data quality and relevance, ultimately affecting the protection of European consumers' rights.

To conclude, we urge the Commission, when developing the AI Act secondary legislation, to:

- **Implement consultation processes that enable meaningful contributions from European tech companies.**
- **Support businesses with sufficient time for compliance and practical guidance to minimise unnecessary regulatory burdens.**
- **Provide clear definitions to prevent overly broad interpretations that create legal uncertainty and confusion.**
- **Maintain a risk-based approach to ensure European tech companies remain competitive globally, particularly amid intense AI competition.**
- **Ensure coherence across the AI Act's secondary legislation and clarify its alignment with other EU rules, such as the GDPR and DSA.**

This will allow to achieve the AI Act's dual goals: empowering European technology and setting a global standard for responsible AI. Following this approach will unlock innovative AI across the European content and ensure European industry remains world leaders in technology.

European tech companies remain committed to contributing constructively to a regulatory framework that supports innovation and enables European companies' ability to lead in AI on the global market.

Yours sincerely,

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