REGULATORY & GOVERNANCE ASPECTS OF ARTIFICIAL INTELLIGENCE
A PRESENTATION
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The advent of ChatGPT has taken the world by storm.

Ever since ChatGPT got launched on 30th November, 2022, it has been extensively adopted by stakeholders across the world and no wonder, its number of users are growing up in a dramatic manner.
INCREASING USE OF CHATGPT

ChatGPT sets record for fastest-growing app with 100 million users: Report

Technology
Published on Feb 02, 2023 01:16 PM IST

The report, citing data from analytics firm Similarweb, said an average of about 13 million unique visitors had used ChatGPT per day in January.
INCREASING USE OF CHATGPT

ChatGPT can easily be hired for an entry-level coding job at Google, report reveals
ChatGPT has hypothetically bagged an L3 role at Google, which is the grading for an entry-level software engineer at Google.

Here in-depth knowledge about Mutual Funds?
Invest through Direct Plan.
Mutual Fund investments are subject to market risks, read all schemes related documents carefully.

India gets its first ChatGPT-powered AI chatbot Lexi, here are the details
India now has its very first AI chatbot powered by ChatGPT. Named Lexi, the chatbot has been launched by financial technology company Velocity and has been integrated into their in-house analytics tool.
OpenAI CEO Sam Altman shocks, says trusts ChatGPT the least on Earth

The OpenAI founder and CEO acknowledged the AI hallucination problem and jested that he trusts the answers that come out of ChatGPT the least.

By: AKASH DUTTA | Updated on: Jun 08 2023, 23:49 IST
Shanghai adopts China’s 1st provincial-level AI law to support sound, safe development

By Global Times
Published: Sep 22, 2022 08:19 PM
Complete reliance on AI for auditing may lead to inaccurate findings: CAG Murmu

As regards the initiatives pertaining to the “Blue Economy” sector, the CAG said through the Supreme Audit Institutions-20 forum, the institution was trying to get an insight, expertise and experience from the other members.
ARTIFICIAL INTELLIGENCE AS A DOUBLE EDGED SWORD

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Artificial Intelligence and cybersecurity have an intrinsic connection with each other.
As more and more developments are coming up in Artificial Intelligence ecosystem, it is absolutely essential that the said ecosystem must be secure and resilient from potential cybersecurity attacks.
AI & CYBER SECURITY (CONTD…)

- AI is being rapidly used to bolster cybersecurity and offer more protections against sophisticated hackers.
- It helps by automating complex processes for detecting attacks and reacting to breaches.
AI can open vulnerabilities as well, particularly when it depends on interfaces within and across organizations that inadvertently create opportunities for access by "bad actors" or disreputable agents.
How AI Is Shaping the Cybersecurity Arms Race

Artificial intelligence is emerging as a key cybersecurity tool for both attackers and defenders.

February 25, 2020 • Sagar Soman, Indiana University

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ARTIFICIAL INTELLIGENCE AND ETHICAL REQUIREMENTS

- How to make AI ethical?
- How can Responsible AI be made to follow ethical practices and policies?
- Inequality. How do we distribute the wealth created by machines?
- Human Behaviour & Artificial stupidity. How can we guard against mistakes?
ARTIFICIAL INTELLIGENCE AND ETHICAL REQUIREMENTS

- Racist activities of robots
- Protection against Unintended Consequences
- Singularity. How do we stay in control of a complex intelligent system?
- Robot rights and humane treatment of AI
LEGAL RIGHTS, DUTIES AND LIABILITIES OF AI
AI CRIMES
ATTRIBUTION RELATED CHALLENGES IN CYBERCRIME AS A SERVICE POWERED BY ARTIFICIAL INTELLIGENCE
INTERMEDIARY LIABILITY IN THE CONTEXT OF AI
SELF REGULATION BY AI DEVELOPERS

China's AI regulations face technical challenge

China's AI regulations ask for things that may not be technically feasible, said Russell Wald, policy director at Stanford University's Institute for Human-Centered AI.

China is one of the first countries to regulate AI algorithms -- a regulation that may prove technically difficult for businesses to adhere to.
US AND CANADA APPROACHES

The 'Illinois Artificial Intelligence Video Interview Act' is a real law. Here's why it may be coming to a job application near you.

On June 16, 2022, the federal government introduced Bill C-27, the Digital Charter Implementation Act, 2022 (Bill C-27 or Bill). If passed, the Bill would significantly reform federal private-sector privacy law. It would also introduce rules to regulate “high-impact” artificial intelligence (AI) systems under a new Artificial Intelligence and Data Act (AIDA).

AIDA would, among other things:

- Establish a new Artificial Intelligence and Data Commissioner to support the Minister of Innovation, Science and Industry in enforcing AIDA
- Make it an offence to make available or use an artificial intelligence system that is likely to cause serious harms

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China’s AI-Enabled ‘Smart Courts’ To Recommend Laws & Draft Legal Docs; Judges To Take Consult AI Before Verdict

By Tanmay Kodam  |  July 16, 2022

China has been working to build a ‘smart court’ system since at least 2016 by incorporating Artificial Intelligence (AI) into its justice system. The new system requires the judges to consult AI on each case, and if they reject the AI’s recommendation, they must provide a written explanation.
Can AI Be a Fair Judge in Court? Estonia Thinks So

Estonia plans to use an artificial intelligence program to decide some small-claims cases, part of a push to make government services smarter.
EU NORMS CONCERNING CYBERSECURITY IN THE CONTEXT OF AI
DEVELOPMENTS AT INTERNATIONAL LEVEL (CONTD...)

- Different initiatives have begun in the direction of regulating Artificial Intelligence at global level.
Different countries have come up with Artificial Intelligence policies and strategies.
DEVELOPMENTS AT INTERNATIONAL LEVEL (CONTD...)

- Australia
- Austria
- Canada
- China
- Denmark
- Estonia
- Finland
- France
- Germany
- India
- Ireland
- Italy
- Japan
- Kenya
- Malaysia
- Mexico
- Russia
- Singapore
- Saudi Arabia
- South Korea
- Sweden
- United Arab Emirates
- USA
- United Kingdom
Ad hoc Committee on Artificial Intelligence – CAHAI

On 11 September 2019, the Committee of Ministers of the Council of Europe set up an Ad hoc Committee on Artificial Intelligence – CAHAI.
NO INTERNATIONAL ARTIFICIAL INTELLIGENCE LAW

- NO INTERNATIONAL ARTIFICIAL INTELLIGENCE LAW IN PLACE.

- DIFFERENT COUNTRIES HAVE IN PLACE THEIR OWN DISTINCTIVE NATIONAL POLICIES ON ARTIFICIAL INTELLIGENCE

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APPLICABILITY OF EXISTING CYBER SECURITY LAWS AND OTHER BILLS TO ARTIFICIAL INTELLIGENCE

- China
- Russia
- Vietnam
- Thailand
- Australia (Anti-Encryption law)
- Singapore
- Egypt
- New York
- Germany
- Zimbabwe
- California
- Macau / Taiwan

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One important question that comes up for consideration is whether Generative AI like ChatGPT can be used for audit purposes.

ChatGPT could be used to research on the principles and the provisions that would impact audit.

At best, ChatGPT can be used as a torchlight that can be used to throw light in the ecosystem of darkness.
Given that ChatGPT is constantly hallucinating data, any kind of audit exercise done by ChatGPT is likely to be fraught with large number of legal and policy challenges.
CHAGPT & AUDIT (CONTD...)

- Firstly, the biggest challenge pertaining to use of ChatGPT for audit will be the authenticity of the said audit.
US LAWYER CHATGPT FILING CASE
- It can also be used for the purposes of generating certain essential parameters that can be used for auditing purposes, including audit of computer systems, networks and also communication devices and their cyber security.
CHAGPT & AUDIT (CONT'D...)

- If an audit is done using ChatGPT and the same is found to be inaccurate or contains inaccurate conclusions, it would entail legal consequences for the auditors using ChatGPT.
- Outsourcing the auditing function to an Artificial Intelligence algorithm will potentially face huge number of legal challenges, apart from opening up a Pandora’s Box of legal liabilities.
Indiscriminate use of ChatGPT for auditing purposes could also prejudicially impact the reputation, standing, goodwill and repute of the auditor and the auditing firm.

It could potentially land up the audited entity as also the auditor firm and the auditors concerned into legal trouble and legal exposure to civil suits and criminal trials.
In case ChatGPT is used for audit purposes, the potential bias element in the said ChatGPT audit could also raise huge problems of potential discrimination and legal challenges.

It is best and advisable for auditors not to rely upon ChatGPT for conducting audit till such time ChatGPT has reached a substantially advanced level of its evolution.
New York City has passed a law requiring companies providing AI that helps make hiring decisions to obtain “bias audits” of their technology.
AI AUDIT & LEGAL DEVELOPMENTS (CONTD…)

- As per reports in the public domain, Washington, D.C. could pass a bill that would force entities using algorithmic tools to determine employment, housing or loan eligibility to cough up algorithms and the data used to train them for auditing.
AI AUDIT & LEGAL DEVELOPMENTS (CONTD…)

- The European Union is mulling legislation addressing the risks of artificial intelligence, and the Federal Trade Commission and U.S. lawmakers want to hold companies accountable for harms and discrimination created by AI systems.
CHALLENGES FOR AUDITORS
(CONTD…)

- AI’s rise has been accompanied by the traditional lag time between early adoption and the establishment of regulatory and compliance frameworks.
- There is no mature auditing framework in place detailing AI sub-processes, nor are there any AI-specific regulations, standards or mandates.
CHALLENGES FOR AUDITORS (CONTD...)

- A coherent understanding of enterprise AI will be dispersed—and, over time, perhaps even lost—across tiers of AI providers.

- This will subsequently increase the challenge for the AI auditor.
NEED TO DEVELOP PRINCIPLES OF AUDIT OF AI

- Need for the Auditing Institutions of the world to come up with common accepted legal principles of audit of Artificial Intelligence, including Generative Artificial Intelligence.
Legal principles are evolving to regulate Artificial Intelligence.

Projects of Artificial Intelligence Law Hub:

- Legal principles to enable AI for public good;
- Legally enforceable ethical standards and behaviour for AI;
- AI and cyber security – the uneasy legal marriage;
- Various other projects are in the pipeline.
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Cyberlaw University is an online University that is specifically dedicated to the study of Cyberlaw and related legal issues. Cyberlaw University aims to provide various courses and diplomas that would make the participants more aware about the various legal issues pertaining to cyberspace, Internet and the World Wide Web.
AI COURSES @ CYBERLAW UNIVERSITY
(CYBERLAWUNIVERSITY.COM)
Courses offered by Cyberlaw University, as of now, have been done by more than 28,500 students from 174 countries speaking 53 national languages.

Artificial Intelligence Law in the process of evolution.
• All in all, Regulatory and Governance Aspects of Artificial Intelligence and connected jurisprudence today represent important fascinating aspects of our lives.
• These issues will have to be addressed at the earliest.
• Time is a luxury that humanity can ill afford in this regard.
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