

ACC Webinar

Unlocking AI's potential: Practical Legal Insights for Companies

17 September 2024



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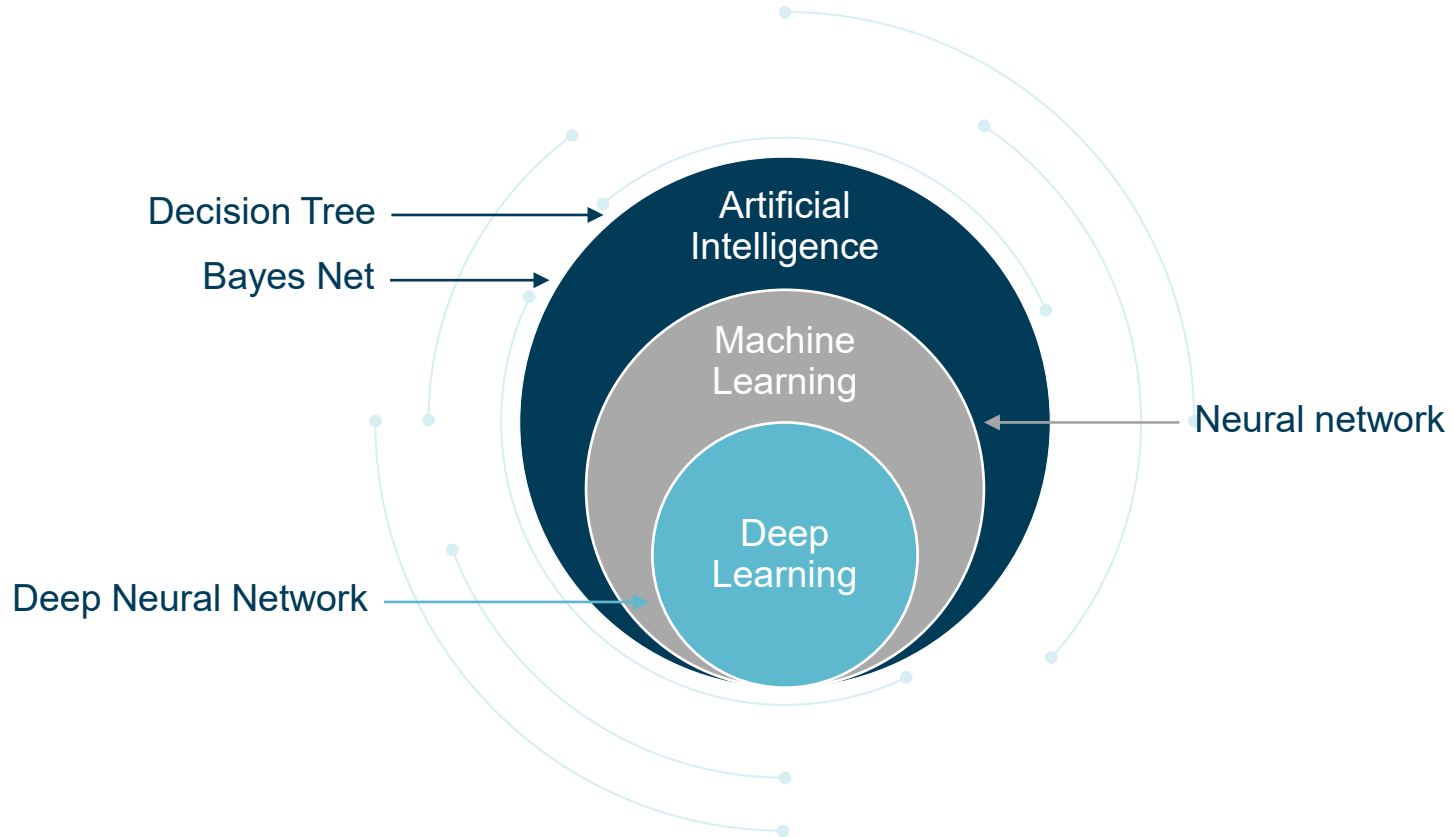
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1

Setting the scene

Introduction: What is Artificial Intelligence?



Introduction: What is Artificial Intelligence?

Traditional



Machine Learning



Introduction: What is Artificial Intelligence? – The basics



Training



Supervised

Known results (labelled data)



Unsupervised

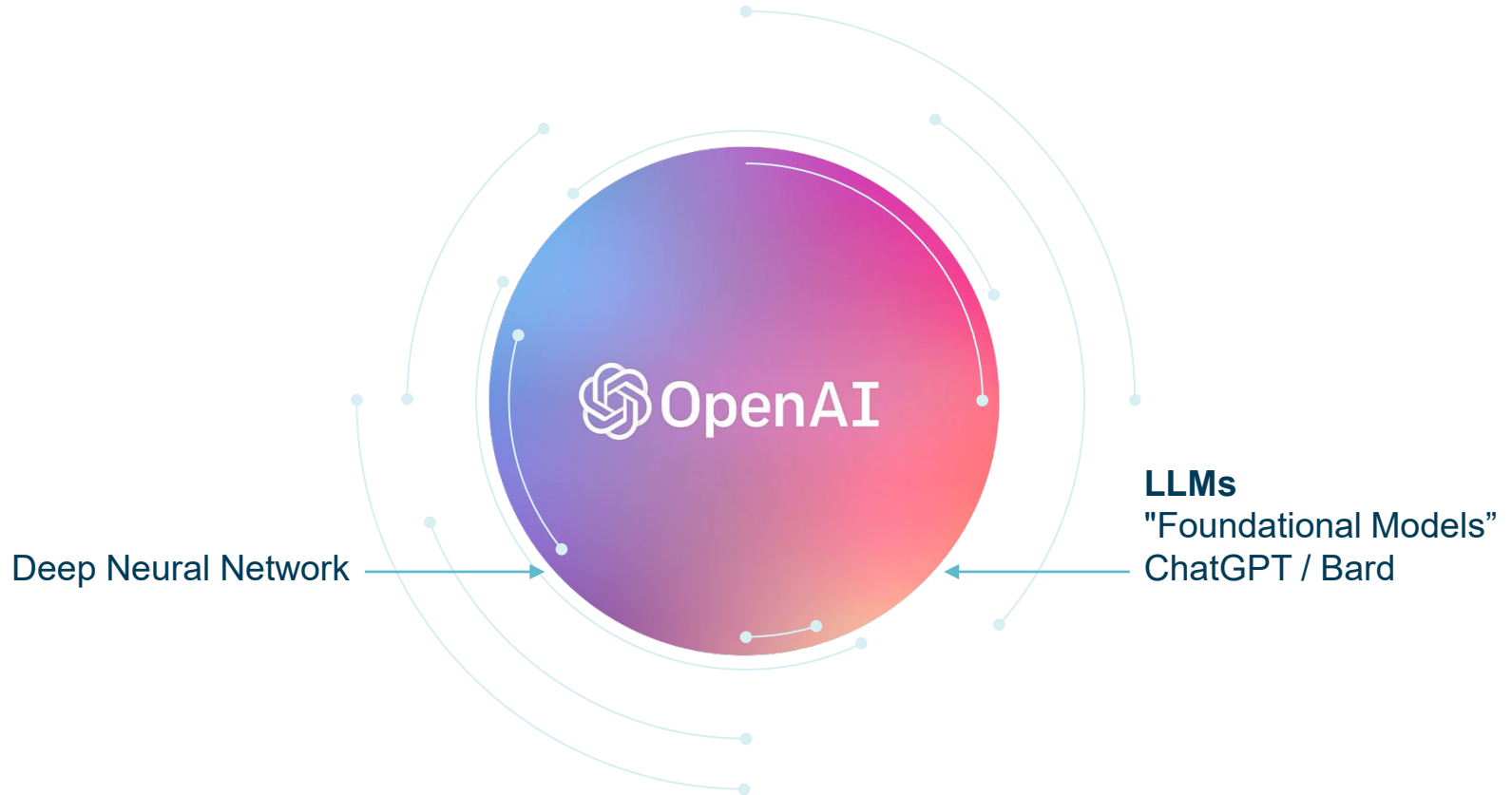
Unknown results (unlabelled data)



Reinforcement

Competitive closed environments

Introduction: What is (Generative) Artificial Intelligence?



Introduction: What is Generative Artificial Intelligence?

Transformer models – (GPT = "*Generative Pretrained Transformer*")

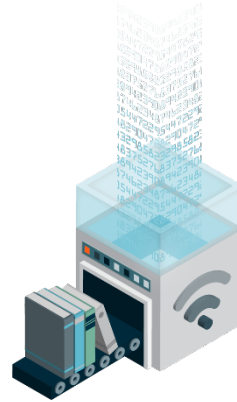


Training



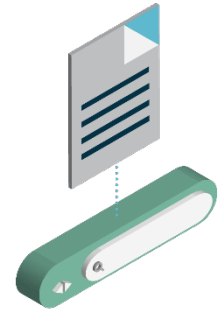
Unsupervised

(No need to label data)



Training Data

- Massive amounts
- Chat GPT – approx. **45-60 Terabytes** of data (one million feet of bookshelf space)



Text "Prompt" Access

- Publicly available to all
- No need to program or to create API

Generative AI

Example use case

Use GenAI to generate new images

Prompt:

"1960s street style photo of a crowd of young women standing on a sailboat, wearing dresses made of silk, pearl necklaces, sunset over the ocean"

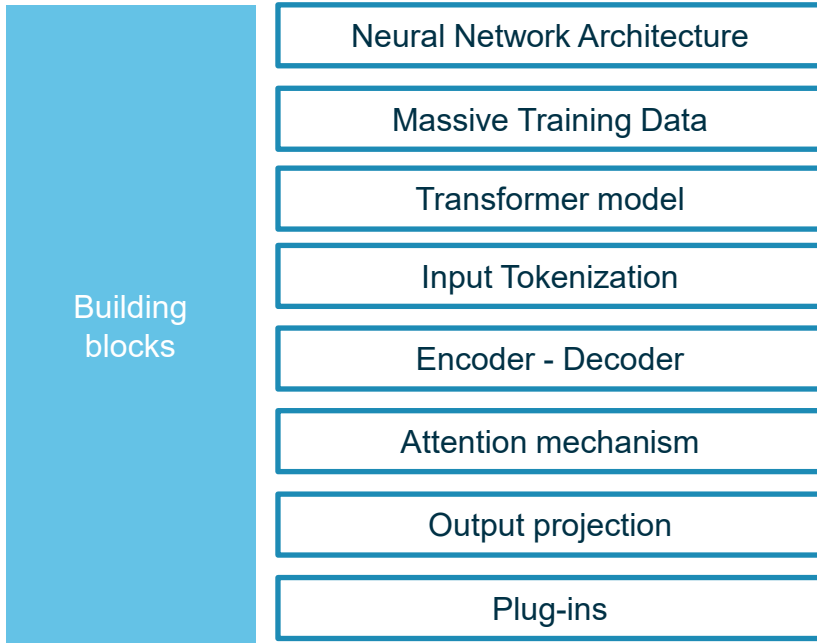


Midjourney

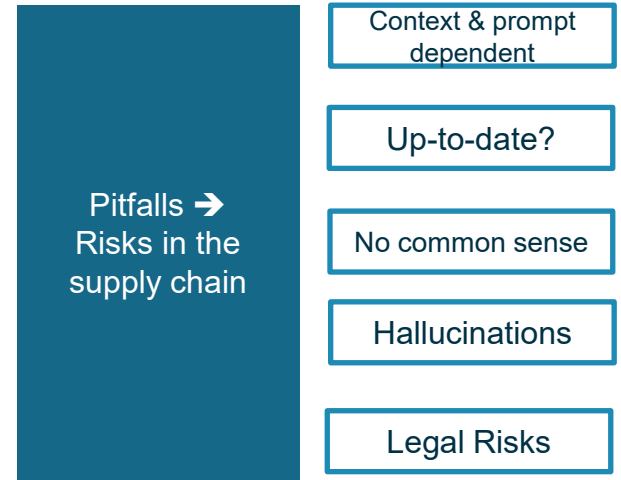
Use case: GenAI for HCP's

Using ChatGPT for patient engagement, medical education, clinical decision support?

([source](#): G. Briganti, How ChatGPT works: a mini review, European Archives of Oto-Rhino-Laryngology)



"Draft a strategy to treat a given condition (otitis) in a patient that is a child"



2

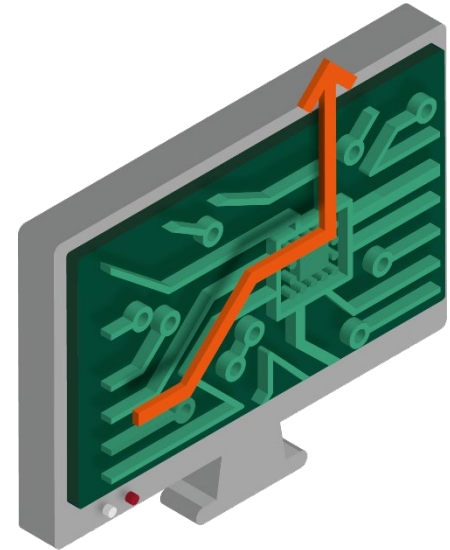
AI & Corporate Governance

AI at board level: (artificial) governance intelligence

Which companies are already using AI tools at Board or Management level for decision making purposes?

Impact of AI on corporate governance:

- Role of the Board with respect to AI developed, distributed and/or used as part of its business activities and strategy and disruptive effect of AI on the business.
- AI used specially by the Board or the management to enhance deliberations and decision-making process.



AI at board level: (artificial) governance intelligence

Director's rights:

- Right to obtain information
- Right of investigation
- Right to express disagreement

Director's duties:

- Duty of loyalty: Good faith & interest of the company
- Duty of due care: *intuitu personae*, active participation, informed
- Duty of discretion: confidentiality
- [due diligence duty?]



**The Board's powers:
management of the company,
strategy planning & policies and
overall oversight & risk
assessment**

AI at board level: (artificial) governance intelligence

Principle:

- Directors are not liable towards contractual parties of the company for commitments/obligations of the company
- Abolishment quasi-immunity of the auxiliary person!

Directors' liability regime:

- **BCCA regime:** directors, daily management and permanent representatives of directors/legal entities are liable towards the company and third parties for:
 - faults in the performance of their mandate (management faults):

"limited to acts that are manifestly outside the margin within which prudent and careful directors, placed in the same circumstances, could reasonably have a differing opinion"
 - breaches of the BCCA or the AoA

- **Liability towards third parties**

Tort: infringement of general duty of due care

→ **Fault, damage & causal link** must be proven

AI at board level: (artificial) governance intelligence

Role of the Board with respect to AI developed, distributed and/or as part of its business activities and strategy and disruptive effect of AI on the business

- understanding AI as a **matter of corporate strategy** and risk;
- considering the **impact** of AI activities on employees, customers, other key stakeholders, and the environment; and
- overseeing the company's **compliance with laws and regulations** that are relevant to AI and the development of related policies, information systems, and internal controls.



AI at board level: (artificial) governance intelligence

Structure approach based on risk assessment, transparency and oversight



AI at board level: (artificial) governance intelligence

AI used specially by the Board or the management to **enhance deliberations** and the decision-making process.

- Administrative tasks
- Corporate strategy / financials
- M&A
- Investment
- Risk, recruitment, discovery processes, sales and marketing, etc.

Towards Robot Directors?

- **By Board of directors, management and external consultants**
- **Assisted > augmented > autonomous governance intelligence**



AI at board level: (artificial) governance intelligence

Pros	Cons
Timing / Real Time	Black box - inexplicability
Correlations big amounts of data	Biased
Predictions/scenario analysis	Causal relationship
Neutral / no groupthink	Corporate interest
	Confidentiality

Corporate interest
and duty of care

AI at board level: (artificial) governance intelligence


Recommendations: be critical

- Verify the **needs** for implementing AI tools in your Board processes
- Involve **experts** in selection of AI, monitoring and supervision
- Set up AI governance, AI compliance and AI ethics **policies** and attribute **roles** and **responsibilities** to different persons, committees, etc. Supervise compliance with such policies
- Especially using **augmented AI tools** that make recommendations, scenarios or even decisions:
 - *debate with other directors during board meeting, express disagreements, ask questions and challenge management*
 - *understand outcome and justify reasoning*
 - *are technical and legal requirements met (AI Act compliance etc.)?*
 - *record outcome of discussions, justification and verifications in minutes*
 - *request reports (reliability, technical aspects, ground of the content and data)*
- Training and knowledge **awareness**




AI at board level: (artificial) governance intelligence

Key take aways:



Productivity &
decision making

The development and/or use of AI in companies and in the boardroom is growing fast and will increase productivity and decision-making.



Corporate interest
& due care

The use of AI in your business activities and to enhance board decision making will be embedded in the corporate interest of the company and shows due care of the directors



Director's liability

Bad use of AI or over-reliance on AI tools, absence of AI governance system or monitoring of AI potentially leads to a breach of duty of due care and the interest of the company, which could result in director's liability

3

AI Act: Practical Implications for Companies

Overview – Implementation Timeline

1 Augustus
2024

Application:
Date of entry
into force of the
AI Act. At this
stage, none of
the Act's
requirements
apply – they will
begin to apply
gradually over
time

2 February
2025

Prohibited AI
restrictions come
into effect

AI Literacy
requirements
come into effect

2 May 2025

Commission code
of practice to be
ready by this date

2 August
2025

The following rules
start to apply:

- Notified bodies
(Chapter III, Section
4)
- GPAI models
(Chapter V)
- Governance
(Chapter VII)
- Confidentiality
(Article 78)
- Penalties (Articles
99 and 100)

2 August
2025

Providers of GPAI
models that have
been placed on the
market / put into
services before this
date need to be
compliant with the
AI Act by 2 August
2027

2 August
2026

The remainder of
the AI Act starts
to apply, except
Article 6(1)

2 August
2027

Article 6(1) and
the
corresponding
obligations in the
AI Act start to
apply

Detailed tracker
a more detailed
tracker is here:
[Implementation
Timeline / EU AI
Act](#)

Overview – Key steps for compliance



1. Identify AI in use and supplied by the business



2. Assess Scope



3. Identify Role in AI Value Chain



4. Identify Risk Category



5. Identify Compliance Obligations



6. Identify Strategic Changes and Processes

1. Identify AI in use and supplied by the business

Definition of "AI system" (AIS) is based on the definition used by the OECD:

*“An AI system is a **machine-based system** designed to operate **with varying levels of autonomy** and that **may exhibit adaptiveness** after deployment and that, **for explicit or implicit objectives**, **infers**, from the input it receives, how to generate **outputs** such as predictions, content, recommendations, or decisions that can influence physical or virtual environments. ”*

All AI systems are software but not all software is an AI system!!

Machine based

Varying level of autonomy

Adaptiveness

For explicit or implicit objectives

Goes beyond simple data processing refers to learning, reasoning and modelling

Infers

Input

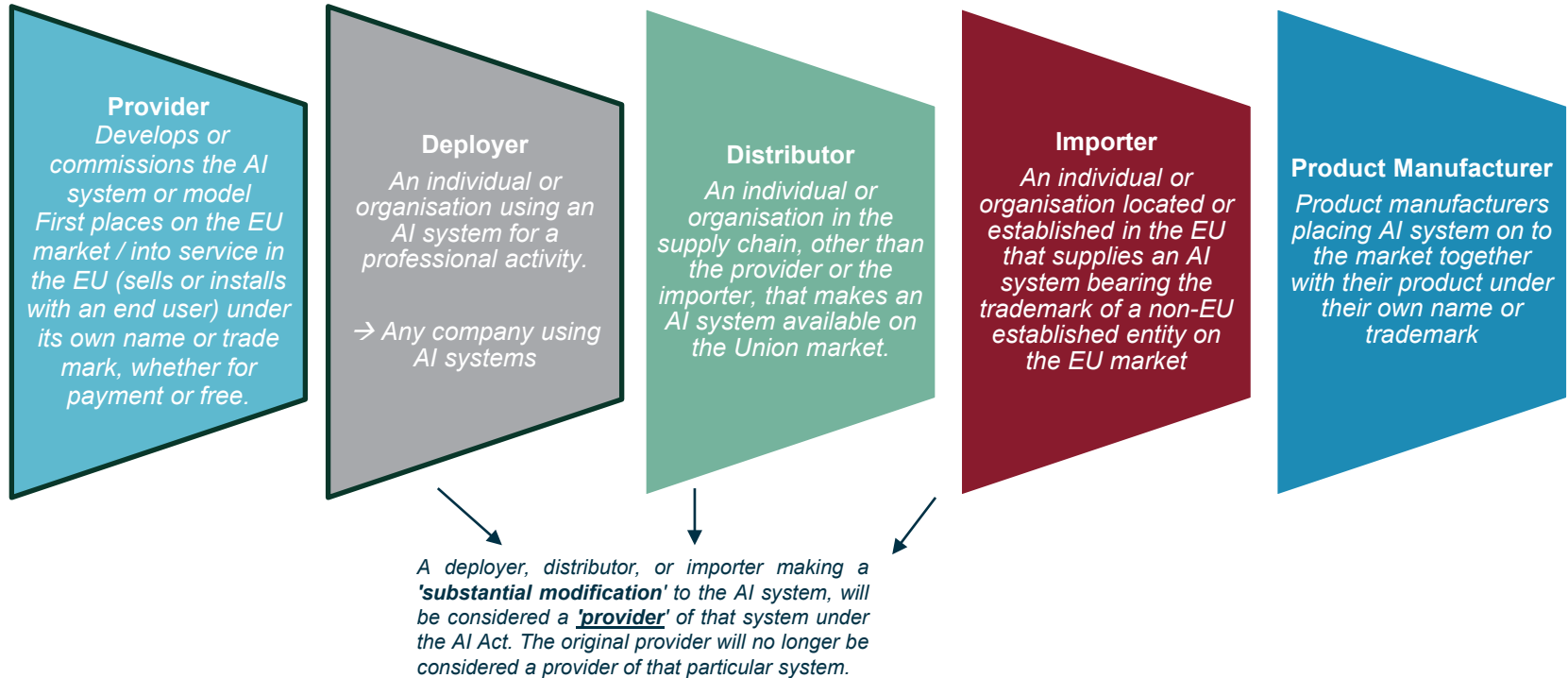
Outputs

Environments

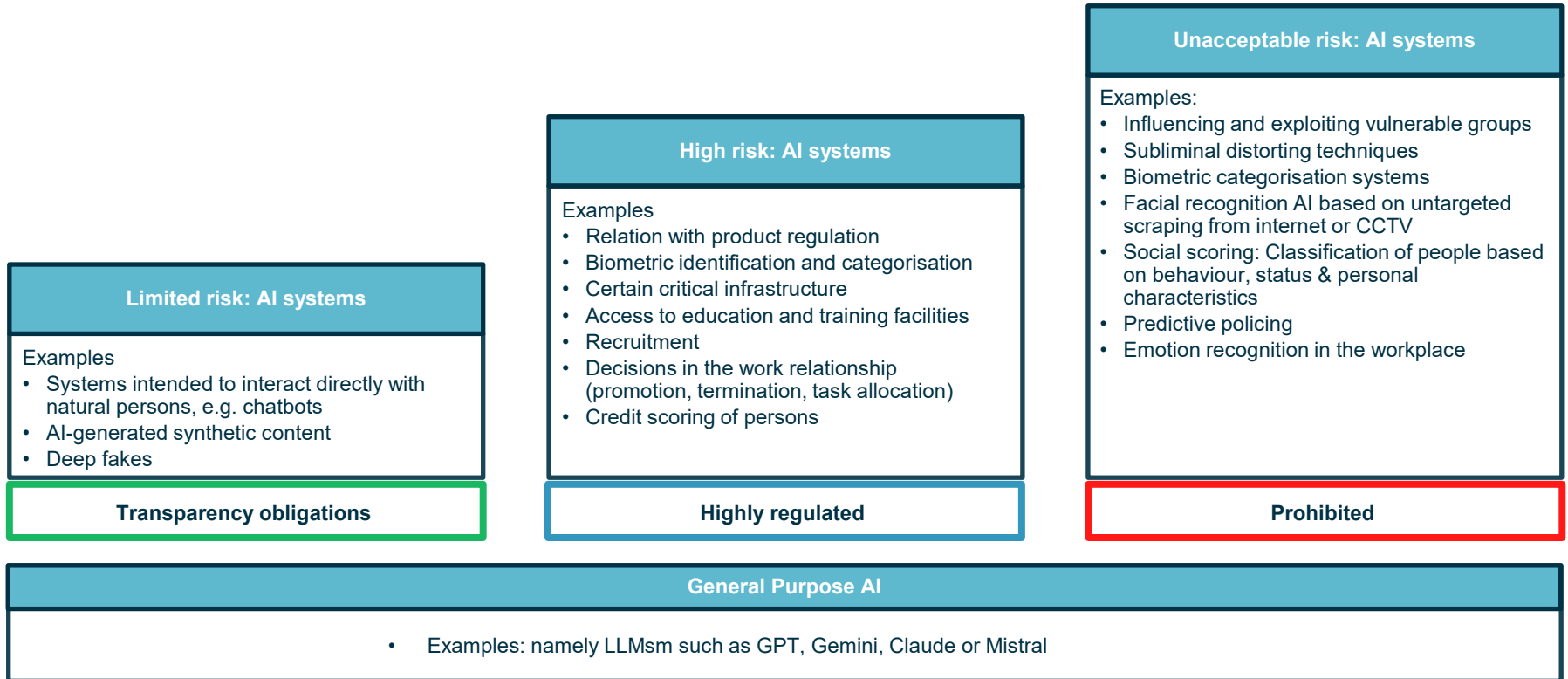
2. Assess Scope



3. Identify Role in AI Value Chain



4. Identify Risk Category



4. Identify Risk Category (High-Risk)

Annex I (reference to other EU regulated systems):

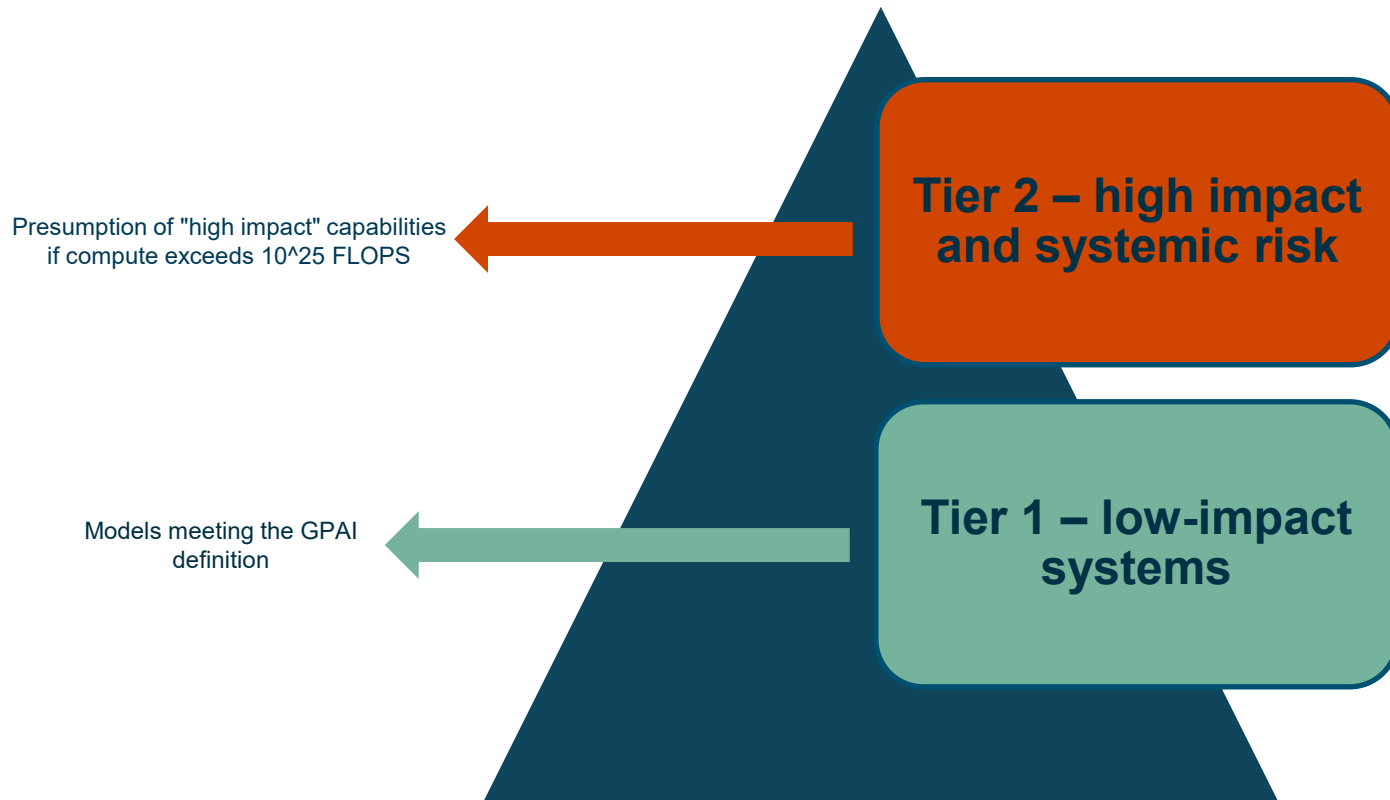
- Machines
- Toys
- Medicine products
- Protective gear
- Elevators

Annex III (specific listed AI applications + exception does not apply):

- Recognizing emotions
- Critical infrastructures (e.g. supply of utilities, transport))
- Educational and vocational training (e.g. automated scoring of – or exclusion from – exams);
- Employment, workers management, and access to self-employment (e.g. automated recruitment and application triage)
- Access and enjoyment of essential private and public services (e.g. benefits systems, credit, insurance);

Estimation of the EC: 5-15% of all AI applications are expected to fall under the high-risk category.

4. Identify Risk Category



5. Identify Compliance Obligations | High-risk AI systems (1/2)

Obligations/Actions	Provider	Authorised representative	Importer	Distributor	Deployer
Risk management system (Art. 9)	●				
Post-market monitoring (Art. 72, 26)	●				●
Reporting of serious incidents (Art. 73)	●				●
Corrective actions and informing the authorities about risk (Art. 20, 22, 23, 24, 26)	●	●	●	●	●
Cooperation with authorities (Art. 16, 22, 23, 24, 26)	●	●	●	●	●
Data protection impact assessment (Art. 26)					●
Specific actions in the context of subsequent remote biometric identification (Art. 26)					●
Fundamental rights impact assessment (Art. 27)					●
TOMs for compliance with the instructions for use (Art. 26)					●
Appointing an EU representative (Art. 16, 24)	●		●		

5. Identify Compliance Obligations | High-risk AI systems (2/2)

Obligations/Actions	Provider	Authorised representative	Importer	Distributor	Deployer
Data governance and Data management procedures (Art. 10, 26)	●				●
Technical documentation (Art. 11, 22, 23)	●	●	●		
Record-keeping obligations (Art. 12, 24)	●			●	
Transparency and information obligations towards other operators (Art. 13, 23, 24)	●		●	●	
Human supervision (Art. 14, 26)	●				●
Accuracy, robustness and cyber security (Art. 15)	●				
Quality management system (Art. 17)	●			●	
Retention obligations (Art. 18, 22, 23, 26)	●	●	●		●
Conformity assessment (Art. 16, 43, 22, 23)	●	●	●		
Declaration of conformity (Art. 16, 46, 47, 23, 24)	●		●	●	
Registration (Art. 16, 49, 22, 26)	●	● / ●			●

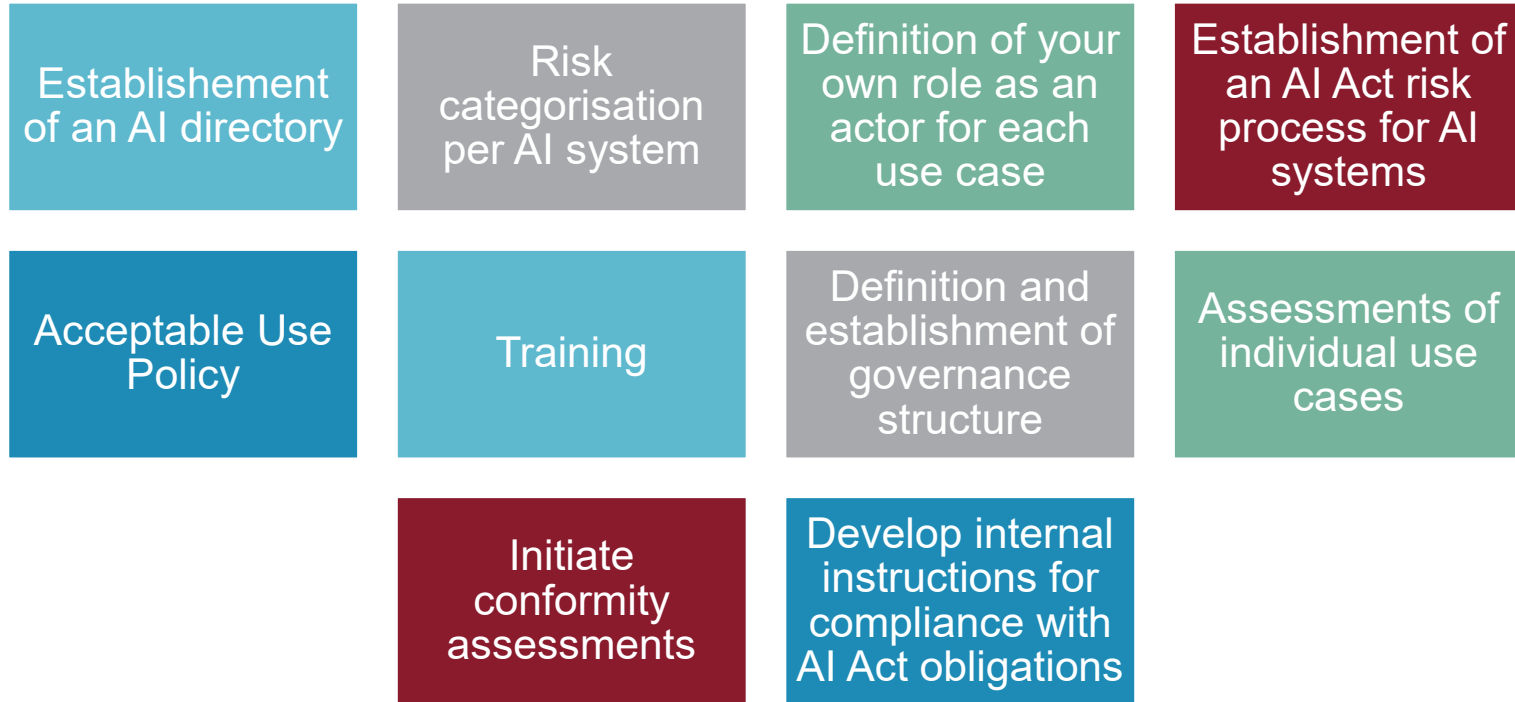
5. Identify Compliance Obligations | General Purpose AI

Obligations/Actions	Provider	Authorised representative	Importer	Distributor	Deployer
Classification of GPAI models with regard to systemic risk (Art. 51)	●				
Notification about the classification to the EU Commission (Art. 52)	●				
Technical documentation (Art. 53)	●	●			
Transparency and information obligations (Art. 53)	●				
Appointment of an authorised representative (Art. 54)	●				
For systemic risks: Perform model evaluation incl. Adversarial testing (Art. 55)	●				
For systemic risks: Risk analysis and risk mitigation (Art. 55)	●				
For systemic risks: Transparency and information obligations (Art. 55)	●				
Reporting of serious incidents (Art. 55)	●				
For systemic risks: Cybersecurity measures (Art. 55)	●				

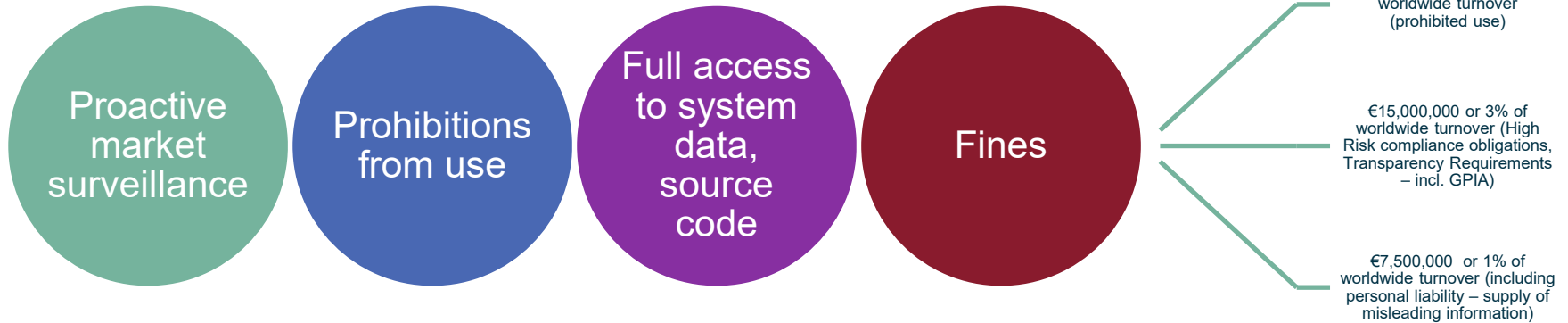
5. Identify Compliance Obligations | AI systems

Obligations/Actions	Provider	Authorised representative	Importer	Distributor	Deployer
Information of affected persons about their interaction with an AI system and transparency regarding AI-generated content (Art. 50, 26)	●				●
Specific information obligations for biometric categorisation systems and emotion recognition systems (Art. 50)					●
Specific information obligations for "deepfake" content (Art. 50)	●				●

6. Identify strategic changes and processes



Overview - Enforcement & Penalties



Recap – Key steps for compliance

- 1 **Get an overview:** Which AI systems are under our control, used or distributed by us?
- 2 **Check applicability:** Does the AI Act apply to these systems? Do they fulfil the definition of "AI system"? Do they fall under an exception?
- 3 **Identify roles:** What role do we have for the AI system (provider, operator, importer, distributor, authorised representative)?
- 4 **Risk classification:** Does an absolute ban apply? Does the AI system fall under a risk class?
- 5 **Identify obligations:** What obligations do we have in our role for this AI system?
- 6 **Fulfill obligations:** Fulfill various obligations



4 AI & IP Rights

IP & GenAI: A hot topic

Business | The imitation game

Generative AI is a marvel. Is it also built on theft?

The wonder-technology faces accusations of copyright infringement

- "*ChatGPT, made by OpenAI, can be coaxed into regurgitating newspaper articles that it appears to have **memorised***"
- "*Many AI companies have become cagey about what data their models are trained on, citing competitive confidentiality (and, their detractors suspect, **fear of legal action**)*"
- "*The New York Time (...) is suing OpenAI and Microsoft for infringing the **copyright** of 3m of its article*"
- "*The new questions raised by AI may lead to **new laws***"

Source: **The Economist**, April 20th-26th 2024
[Generative AI is a marvel. Is it also built on theft? \(economist.com\)](https://www.economist.com/generative-ai/2024/04/20/generative-ai-is-a-marvel-is-it-also-built-on-theft)



IP touch points... and uncertainties

A Generative AI Tool

- **Generates** new content
- In response to **prompts**
- Using **machine learning**
- Trained on **data**
- **Unpredictable** output

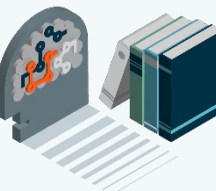
[output]
[input]
[technology]
['training data']
[lack of control]

'Data' / 'input' / 'use' / 'creation' / 'output' →
many **IP touch points**... and
uncertainties

Machine Learning



Prompt

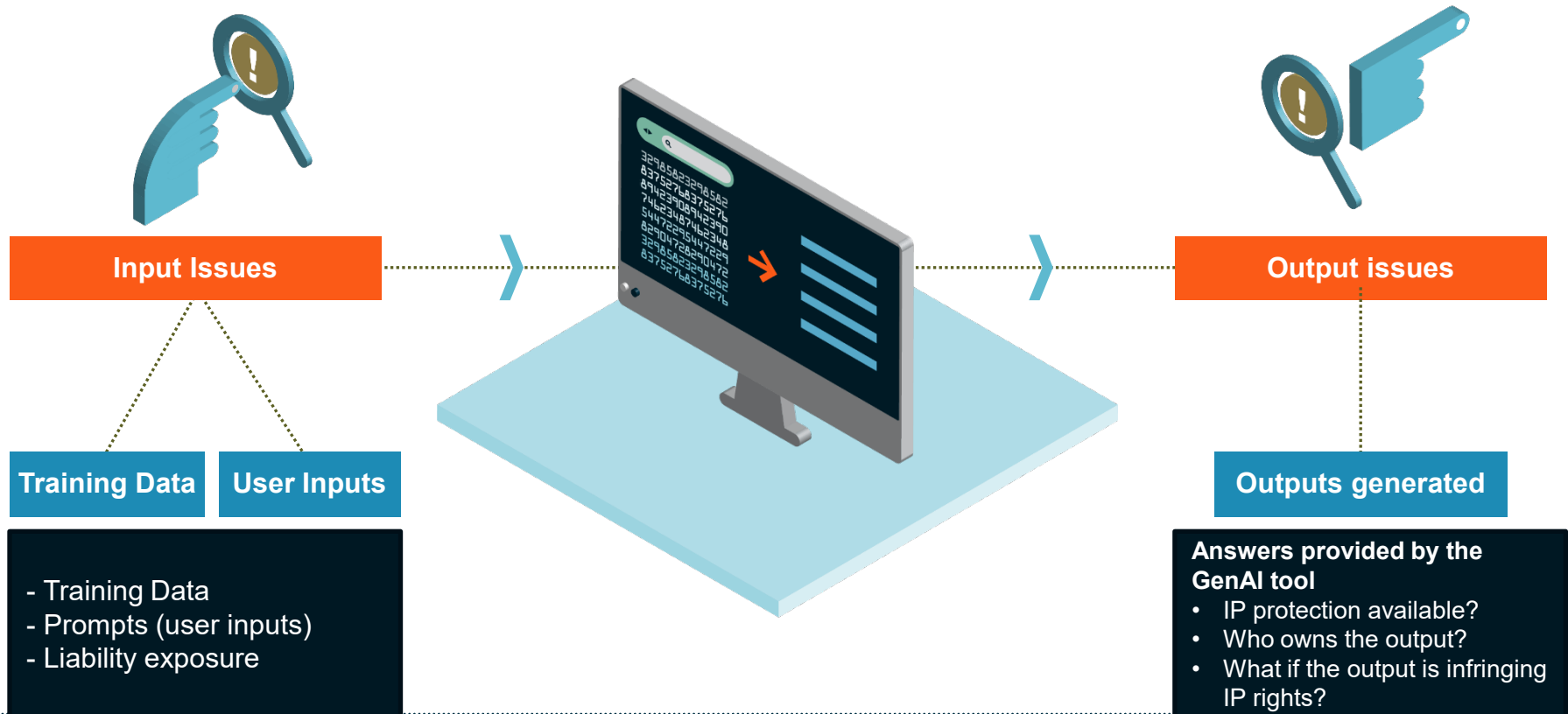


Training
Process (data
dependent)



Output
(unpredictable ;
variable solution)

Input & Output IP – Focus points



1. Input – Prompts and Confidentiality Risks

Prompts - Confidentiality



- **Understand how user inputs are used?**
 - Be careful when using public GenAI systems
 - ChatGPT → inputs logged and retained, sometimes used to adapt the system
- **Do not use commercially sensitive information as input – risks of:**
 - IP leakage & loss of trade secret protection /
 - Breach of business contracts (if including information from third parties)
 - Novelty destroying disclosure

- **Implement reasonable steps**
 - Have a **staff policy** in place (inform and **train your people**)
 - Technical, legal, organizational **safeguards**
 - Carefully **select the AI tool**: Take **business licenses** with appropriate confidentiality provisions
 - **Check settings** + access rights of AI tool vendor
 - Update your **contracts**



Home > Tech

Whoops, Samsung workers accidentally leaked trade secrets via ChatGPT

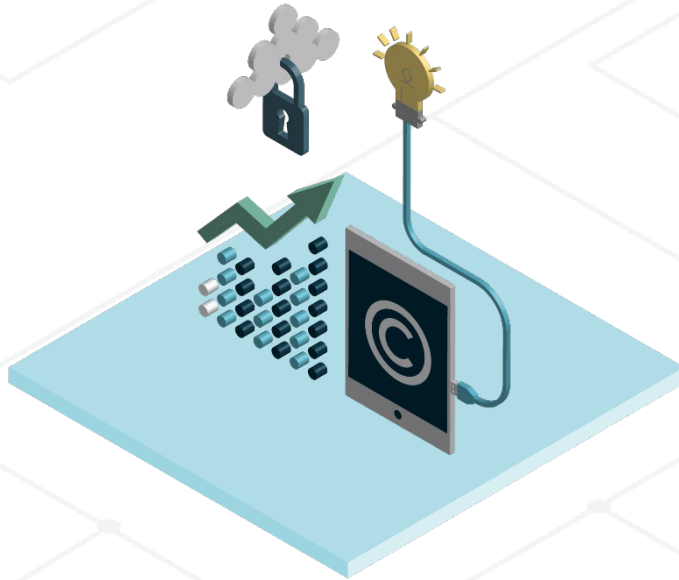
ChatGPT doesn't keep secrets.

"an employee pasted confidential source code into the chat to check for errors."

<https://mashable.com/article/samsung-chatgpt-leak-details>

2. Output – IP Protection, Ownership and Infringement

Potential legal issues



Output cannot be predicted

- **Ownership** – Who owns the output of generative AI?
- **Protection** – Copyright? Patents? Trade Secrets?
- **Infringement** – Risks?
- **Partnerships** – Open innovation agreements

2.1 Output – Copyright Protection

Copyright

is your output copyright protected?



As an AI developed by OpenAI, my responses are generated based on patterns in data and are not considered original works. Therefore, my output is not subject to copyright protection. However, if the information I provide includes content that is copyrighted by others, that content remains protected by copyright law.

If you have specific concerns about the use of my responses, please let me know!

2.1 Output – Copyright Protection (2)

Copyright



Intellectual Property Ownership – Copyright

Do not assume the output is protectable

Emerging, uncertain and fragmented case law

- **EU © law:** unlikely protection → must use the GenAI system as a tool and must be able to demonstrate free and creative choices and that output reflects the "**personality**" of a natural person (< iterative prompting)
- **CN © law:** might be available → Nov.2023 decision of BJ Internet Court granting protection to AI generated image. GenAI as a mere tool (specific parameters settings; various prompts; parameters adjusted → analogy with camera). Sufficient intellectual input and originality
- **US © law:** no protection available

2.1 Output – Copyright Protection (3)

Copyright

**First AI
artwork**



Alleged AI copies



Source: <https://aibusiness.com/nlp/chinese-court-s-landmark-ruling-ai-images-can-be-copyrighted#close-modal>

2.2 Output – Patent Protection and Ownership

Patents



Intellectual Property Ownership – Patents

An AI system cannot be an inventor

- DABUS case law
- Recently amended EPO guidelines (inventor = natural person)

Patent protection may be available

- If AI used as a tool
- To patent aspects of the AI tool } If patentability requirements met

Disclosure requirements for AI inventions

- Clearer standards

Ownership?

- Contractual terms to be checked

How to mitigate IP Output risks

- **Document the role of humans** >< the machine
- Check and negotiate the **terms of use (ownership)**
- **IP contractual provisions** : tackle use of GenAI tools
 - E.g. IP clauses in collaboration agreements
 - IP protection and ownership risks

2.3 Output – Infringement Risks

IP infringement

so can your output be infringing the copyrights of third parties?



While my responses are generated based on patterns in data and are not direct copies of any specific source, there is a theoretical possibility that some outputs might inadvertently resemble copyrighted material. This is more likely to happen with common phrases or widely known information.

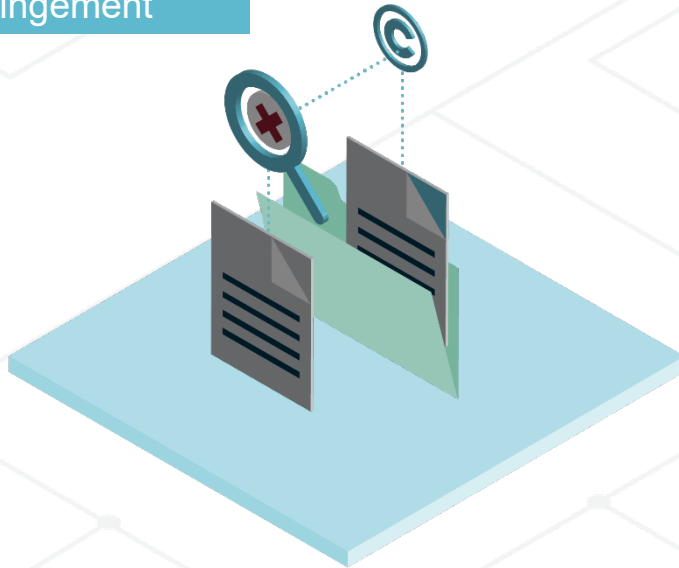
To minimise the risk of copyright infringement:

1. **Use Original Content:** Try to use the information I provide as a basis for creating your own original content.
2. **Attribute Properly:** If my response includes information that is clearly derived from a specific source, it's good practice to attribute that source.
3. **Review and Edit:** Always review and, if necessary, edit my responses to ensure they meet your specific needs and comply with copyright laws.

If you have any specific requirements or need further assistance, feel free to ask!

2.3 Output – Infringement Risks (3.)

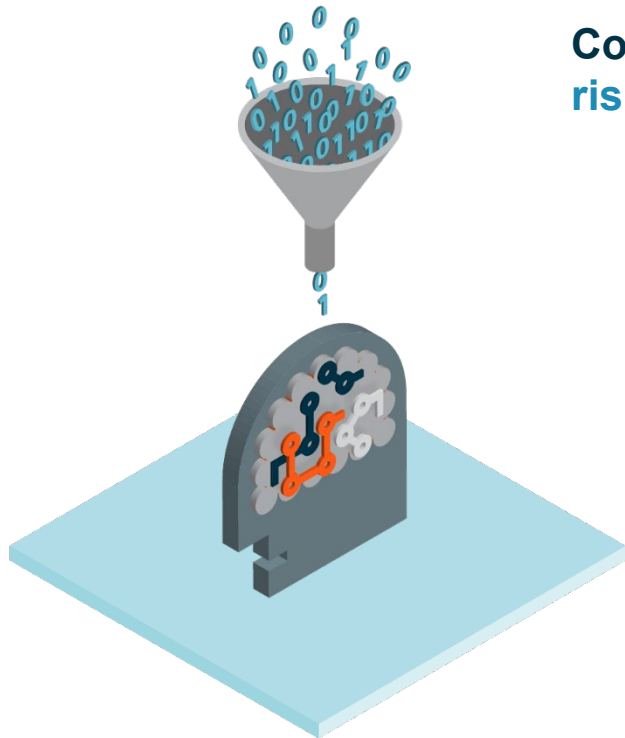
IP infringement



Intellectual Property – Infringement

- Output could infringe **third party IP**
 - If **training data** is used without appropriate licenses in place
 - If the output resembles **copyrighted work** or code (i.e. exact copy or reproduction of most elements)
- **Risk** = no **safe use of the outputs**
- Try to get **guarantee** from vendor
 - E.g.: **Microsoft Copilot** introduced an IP guarantee that covers IP infringement in certain circumstances
 - *"if you are challenged on copyright grounds, we will assume responsibility for the potential legal risks involved"*
 - <https://blogs.microsoft.com/on-the-issues/2023/09/07/copilot-copyright-commitment-ai-legal-concerns/>

Generative AI & IP: What to consider now?



Content creation through GenAI – opportunities and risk mitigation through a proactive approach

- **Guide your employees** → employee use policies
 - Tackle confidentiality; third party IP use in prompts; ...
 - Inform on legal risks
 - Raise awareness and provide **training**
- Carefully **select third-party GenAI tool** – check contractual terms (*confidentiality ; ownership; infringement*)
- **Keep humans** in the loop & document role of humans
- **Contractual provisions**
 - NDAs; Open innovation agreements

5 AI & Competition Law

AI & Competition Law

Data (collection)

- Data access & availability (barriers to entry)
- IP & copyright infringements can be an abuse of dominance (CJEU)

Computational resources

- High demand & low supply (servers, chips)
- *Ex ante* regulation (Data Act & DMA) e.g. obligations on porting data

Engineering talent

- Labour law
- Non-compete, non-poach & non-solicitation clauses
- Wage-fixing agreements between employers

Collusive outcome

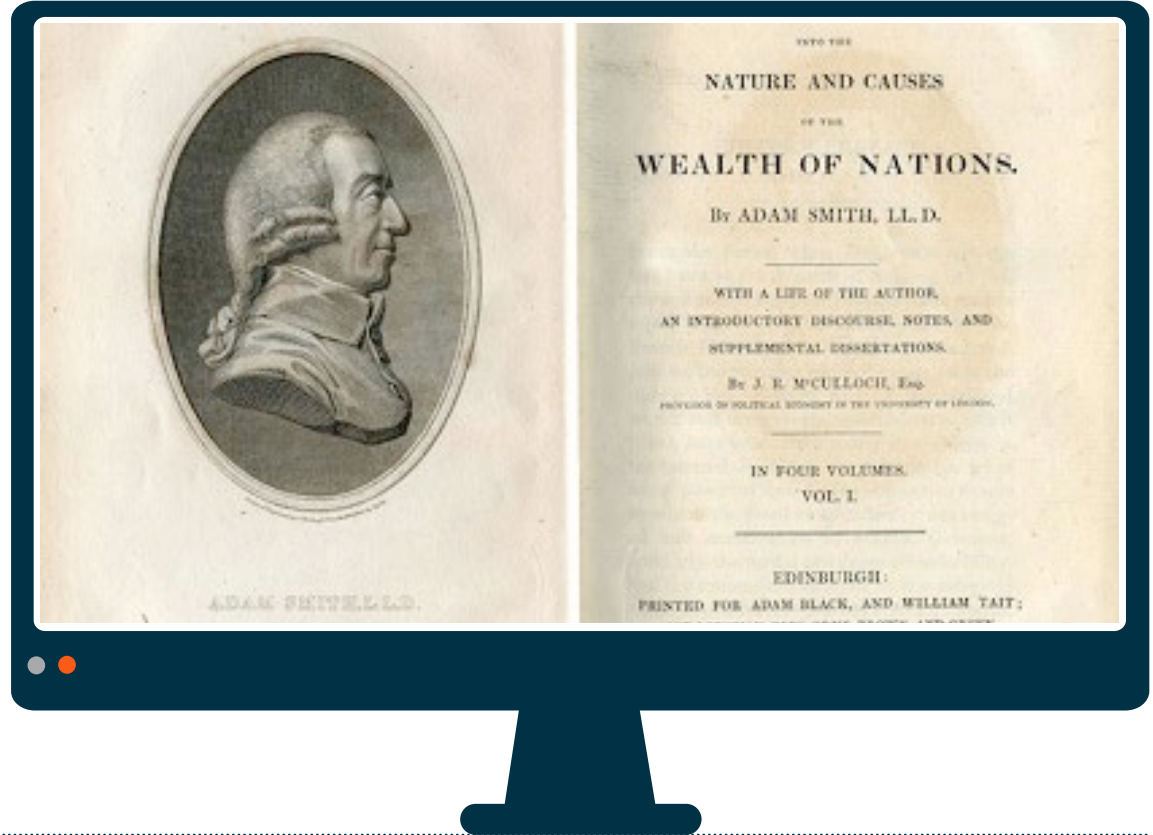
- Increase price transparency, high monitoring, fast retaliation (reward-punishment scheme)
- Algorithmic collusion

Abusive outcome

- Exclusionary conduct
- Exploitative conduct

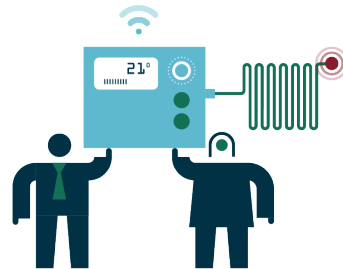
Adam Smith (1776)

"People of the same trade seldom meet together, even for merriment and diversion, but the conversation ends in a conspiracy against the public, or in some contrivance to raise prices."



AI & Collusive Conduct: Article 101 TFEU

- Article **101(1) TFEU** prohibits agreements (and concerted practices) between undertakings that restrict competition
 - Each undertaking must act **independently** on the market
 - **Bilateral conduct** or joint intention
 - \neq **intelligent adaptation** to market (parallel market behaviour is legal)
- **Horizontal** (between competitors) or **vertical** (operating at different level of supply chain) **agreements**

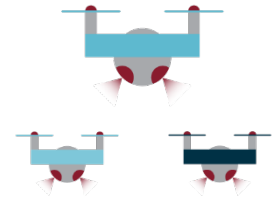


Algorithmic collusion

Software can facilitate **formation** of cartels but also help avoid any **deviation** from cartels

Three types of algorithmic collusion:

- Implementation/facilitation of existing cartel: monitoring, enforcement, concealment (**illegal**)
- Same third-party software used by competitors (**can be illegal as hub-and-spoke**)
- Alignment between competitors using different algorithms (e.g. price adaptation software) (**likely not illegal \approx parallel conduct + difficult burden of proof**)



Case-study on Algorithmic Autonomy

- **Scenario:** Firms A and B independently design self-learning AI tools that autonomously decide on data analysis and behavioural models to maximize profit and adapt to market changes
 - Interdependent actions of algorithms may arise
 - Potential for market manipulation
 - Quick reaction to market changes
 - Monitoring competitors' prices
 - High market transparency in oligopolistic settings



Case-study on Algorithmic Autonomy

- **Issue:** black-box system makes it impossible to explain *modus operandi* / decision process of AI-systems

- **Question:** is this parallel behaviour (accepted under competition law) or a collusive outcome (illegal)?

- **Current case law:** this amounts to tacit collusion which is considered **legal** unless collusion is the only explanation (hard to prove)
- **BUT** possible change in future (broader notion of 'concerted practice' / 'communication')



AI in horizontal & vertical agreements: cases

- Collusion with competitors to **implement existing cartel** or via **third party software**
 - **2016:** CJEU ruled that Eturas and travel agencies engaged in concerted practices violating Article 101(1) TFEU by coordinating prices through digital platforms and information exchange. Eturas' imposition of a 3% discount cap, along with immediate technical modifications, demonstrated the collaborative effort to enforce this anti-competitive measure.
- **E.g. monitoring software: manufacturers detecting deviations from "recommended" resale prices = can amount to resale price maintenance (RPM)**
 - **2018:** Commission fines Asus, Denon & Marantz, Philips and Pioneer EUR 111 million for imposing RPM using pricing algorithms / sophisticated monitoring tools to adapt retail prices to those of competitors
 - **2021:** Netherlands Authority for Consumers and Markets (ACM) (2021) in Samsung case: EUR 40 million fine for RPM / AI price monitoring tools

AI & abusive conduct

- Article 102 TFEU prohibits abusive conduct by companies that have a **dominant position** on a particular market
- Unilateral abusive conduct
- **Use of AI to exclude competitors or to exploit other companies or consumers**
 - E.g. self-preferencing (Google Shopping judgment), steering, price discrimination, refusal to supply access/information (Amazon case), interoperability etc.
- Dominant position: thumbs rule → **40 % market share** of relevant market
 - Definition of the relevant market is critical issue for determining dominance
 - Market definition notice updated with guidance on defining digital markets
 - Complex in digital markets (networks effects, non-price based, multi-sided markets)



AI & merger control

- Incumbent companies ('Big Tech') acquiring disruptive mavericks & startups (so-called "killer acquisitions")
 - E.g. 'partnership' between Microsoft and OpenAI under [EU scrutiny](#)
- M&A in AI-sector cannot serve for big players to reinforce their market strength
- EU retaliation:
 - **Art. 22 EUMR**: referral procedure (*Illumina/grail case*)
 - Nascent technologies without revenues: below threshold notification?
 - CJEU: Commission cannot review transaction when national authorities are not competent to review. Solution lies with NCAs.
 - **Abuse of dominance**: national authorities/courts can apply Article 102 TFEU to mergers that escape EU & national merger control review (*Towercast judgment*)
 - Under the **DMA**, gatekeepers must inform the EC of all the acquisitions where the target provides core platform services or any other services in the digital sector.



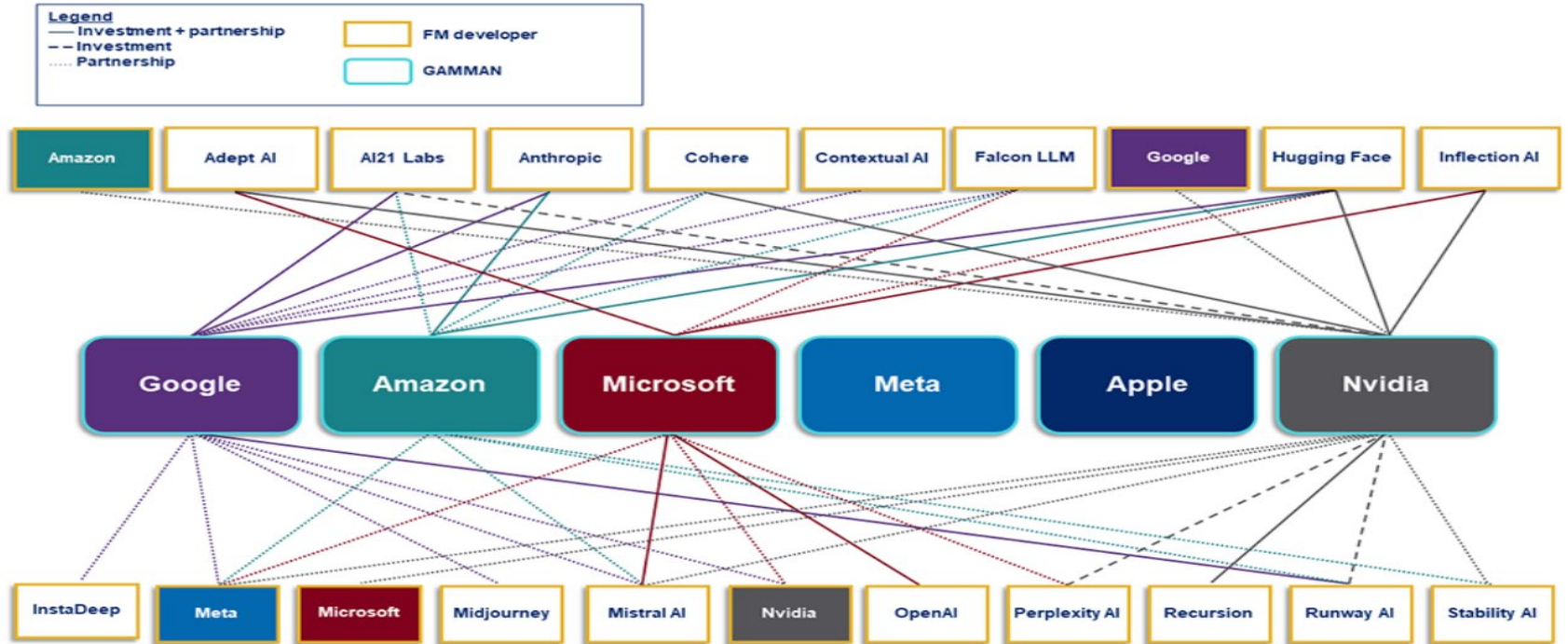
AI & Cooperation between authorities (AI Act)

- Market surveillance authorities must inform the EC and NCAs of any information identified in the course of market surveillance activities that may be of potential interest for Competition rules.
 - Very low bar for sharing of information
 - Less need for RFIs?



Omnipresence of GAMMAN in Foundation Models sectors

Key GAMMAN – FM developer relationships*



*CMA, AI Foundation Models: Technical update report, 16 April 2024, open license

Key Takeaways

- EU competition law has so far proven to be **future-proof** to AI-tech
- **Unchanged principle: the algorithm can't do anything that would be anti-competitive if done by a real person**
 - If pricing practices are illegal offline, high probability they're illegal online.
 - **Firms can't avoid liability** by attributing pricing to algorithms.
 - Algorithms, like employees or consultants, remain under firm's control / direction
 - Firm liable even if actions informed by algorithms
- **Imputability and liability? Both company using and developer!**
- **M. Vestager (2017):** "[...] when [businesses] decide to use an automated system, they will be held responsible for what it does [...] So they had better know how that system works."
- **AI also used by competition watchdogs?**



6 AI in Real Estate & Projects

AI in Real Estate & Projects – Real Estate

Sector views on the impact AI on real estate vary:

- According to a Big 4 2024 survey, AI, technology and digitalisation are seen as second only to ESG being the top trends for the future of real estate; while
- Others are less convinced and of the opinion that AI can help with simple tasks, however it cannot replace any jobs that seek to balance the interests of stakeholders.



AI in Real Estate & Projects – Real Estate

Challenges to be mitigated through AI

- Challenging to attract and retain **talent**, meet increasing **investor demands** and keep up with **technology trends**, such as advanced data and analytics and smart buildings.
 - **Avoid scaling costs** in line with growth of assets under management.
- AI in real estate can support property operations, acquisition strategy and portfolio planning, changing how commercial real estate companies do business.
 - A long-term strategic vision for AI will be essential.



AI in Real Estate & Projects – Real Estate

Potential use cases

Property operations

➤ Logistics

Acquisitions

Business support

Investor relations

Accounting/
finance

Asset management

➤ Digital twins



AI in Real Estate & Projects – Real Estate

Assessment

Determinant strategic advantages:



However, real estate use cases need training data to include market and company specific information, and

- Lack on publicly available information on leasing, tenant data, operating performance on individual assets;
- AI maturity of the company's technical infrastructure to assess.



AI in Real Estate & Projects – Environmental law

3 points of attention

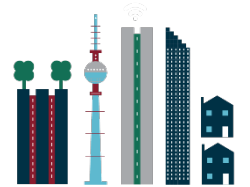
- Permit application
- Decision by the administration
- Enforcement & compliance



AI in Real Estate & Projects – Environmental law

Permit application

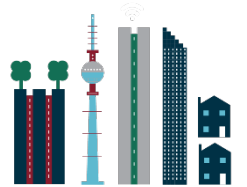
- Complete vs. admissible permit application
- Delay in obtaining the permit / refusal
- Risk of challenge by third parties



AI in Real Estate & Projects – Environmental law

Decision by the administration

- Duty to give reasons
 - Formal duty to give reasons
 - Material duty to give reasons
- Motivation must also be understood by the administration



AI in Real Estate & Projects – Environmental law

Enforcement & compliance



The screenshot shows the top navigation bar of the DE TIJD website with links for Nieuws, Markten (LIVE), Mijn Geld, Sabato, and MIJN TIJD. Below the navigation bar, there are two news snippets: 'UCB scoort vierde goal met medicijn Bimzelx' and 'Topvrouw Federale Pensioendie'. The main article headline reads 'Frankrijk ontdekt 20.000 niet-aangegeven zwembaden dankzij artificiële intelligentie'. Below the headline, there are social media sharing options for KOPIEER LINK, (TWITTER), FACEBOOK, and WHATSAPP. A photograph of a swimming pool is partially visible at the bottom of the article preview.



7

AI in the workplace/HR?



What are the trends, facts and figures around AI in HR?

Impact of AI on the job market in general

- The implementation of AI in the workplace in general helps augment employee performance and improve employee experience:
 - 76% of employers plan to increase their investments in AI to gain more benefits;
 - 50% of employees will need reskilling initiatives by 2025 to embrace AI-enabled work trends;
 - 77% of employees believe their organisation will provide training on AI-driven job changes; and
- the World Economic Forum estimated that by 2025, AI-powered automation could create 97 million new jobs (data analysts and scientists, business development professionals, digital transformation specialists, etc.), compared to the 85 million lost (such as accountants or data entry clerks).

AI might not be the job killer we are ought to think!



What are the trends, facts and figures around AI in HR?

Loss of jobs and evolving roles

Need for guidelines in defining roles between Gen AI and employees:

- Termination on economic ground?
- Guidelines for unilateral changes to the employment contract by the employer:



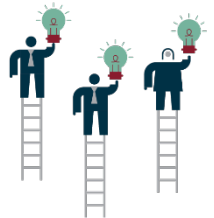
Minor adjustments to work responsibilities



Significant changes may require employee consultation or consent



Dismissal: compliance with rules of fairness and legal validity to avoid risks of legal objections



Talent acquisition technology

How is it used?

➤ Candidate discovery: sourcing automation tools

One of the primary impacts of AI on Belgium's recruitment market is its potential to enhance efficiency in various recruitment processes:

- **Automatization of tasks** as sorting of resumes, screening candidates, and scheduling interviews, allowing recruiters to focus more on **strategic decision-making and building relationships** with candidates
- **Reduce the risks of affecting the recruitment process by conscious or unconscious bias**



Talent acquisition technology

- **Candidate engagement**

Companies rely on AI to automate and partially assist job interviews in order to improve communication between candidates and HR

- **Candidate processing**

- **Candidate verification and assessment**

- **Potential information and consultation obligations towards employee representatives**

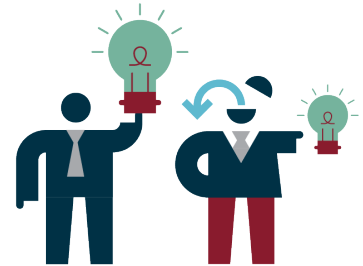


Risks when using AI in the employment field

Discrimination

Among the various risks related to the use of AI in the recruitment process:

- Biases by algorithms;
- Direct or indirect discrimination (e.g. Amazon 2015):



Risks when using AI in the employment field

Recommendations for employers specifically

- **Drafting appropriate policies and train personnel**

- **AI policies**

Draft comprehensive policies regarding the permitted use of AI, including: a list of tasks for which AI can be used, a list of permitted AI tools, and contact information for inquiries regarding the use of AI.

- **Training**

Raise awareness as an employer about the risks associated with using AI.



Accuracy and Hallucinations

Thank you!



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