# AI regulation divides regions as Europe leads with strict standards



As artificial intelligence becomes increasingly embedded in daily life and industry, the global race to establish regulatory frameworks has intensified, with regions adopting approaches that reflect distinct legal cultures and policy goals. Europe, the Gulf states and Southeast Asia exemplify diverging paths, each shaped by unique ambitions and constraints.

In Europe, regulation is grounded in a rights-based framework set out in the EU AI Act, which categorises AI systems by risk and imposes strict rules on high-risk applications. This approach stems from longstanding concerns over data privacy and misuse, with the aim of protecting democratic integrity and rebuilding public trust. The EU has further introduced a voluntary General-Purpose AI Code of Practice to help companies align with these standards. Targeting models such as OpenAI’s GPT-4 and Google’s Gemini, the code focuses on transparency, copyright and safety. While currently non-binding, compliance offers legal clarity and will become mandatory from August 2025.

The European framework seeks to strike a balance between innovation and safeguards, especially in sensitive sectors like healthcare. However, it has drawn criticism. Tech firms and major corporations including Airbus and BNP Paribas argue the regulation is overly complex and could hamper innovation. Civil society groups have also raised concerns that lobbying has diluted the law’s original intent.

Industrial leaders such as Siemens and SAP have called for a revision of the AI Act, citing overlaps with regulations like the Data Act. They argue that reform should focus less on infrastructure and more on improving access to data to unlock innovation, highlighting tensions between technological progress and regulatory control.

The Gulf states take a markedly different approach, aligning regulation with goals of digital transformation and economic diversification. Rather than imposing binding rules, they support AI through national strategies, investment zones and soft international principles such as UNESCO’s Ethics of AI. This model reflects both cultural sensitivities around privacy and a practical need to build capability in emerging digital economies. In Southeast Asia, governments are pursuing a hybrid approach that blends industry co-regulation with adaptable governance. Emphasising explainability and oversight, this model supports innovation across markets with varying levels of digital maturity, avoiding a one-size-fits-all solution.

Despite their differences, many of these frameworks share core principles—fairness, transparency and accountability—that may support future international interoperability.

Looking ahead, AI governance is expected to centre on human oversight, transparency and accountability. Compliance will increasingly rely on systems like ISO/IEC 42001, which formalise risk management. Experts stress that such standards must evolve, calling for ongoing audits to keep pace with emerging threats. Larger organisations are likely to establish internal governance structures, while smaller firms will need to invest in training to meet rising regulatory demands.

Globally, however, the landscape remains uneven. The US continues to follow a fragmented, state-led approach, with AI regulated through a patchwork of privacy, consumer and employment laws. This contrasts with the EU’s uniform but contentious model and complicates compliance for multinational companies.

The UK and Europe’s evolving regimes reflect a concerted effort to lead on responsible AI development. While debate continues over complexity and impact, these initiatives mark a significant step towards building a safe and transparent AI future. For the UK, staying actively engaged in international discussions will be essential to realising AI’s full potential while upholding democratic values.

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## Bibliography

1. <https://www.performancemagazine.org/ai-regulation-different-regional-approaches-and-a-glimpse-of-the-future/> - Please view link - unable to able to access data
2. <https://www.reuters.com/business/eu-code-practice-help-firms-with-ai-rules-will-focus-copyright-safety-2025-07-10/> - The European Commission has introduced a voluntary code of practice to assist companies in complying with the EU's AI Act, focusing on transparency, copyright, safety, and security. While participation is not mandatory, only signatories will benefit from legal certainty. Developed by 13 independent experts, the guidance supports the EU's aim to set global standards amid rapid advancements in AI. The rules target major tech firms including Alphabet (Google), Meta, OpenAI, Anthropic, and Mistral. The AI Act, which began taking effect in June 2024, imposes stricter transparency obligations on high-risk systems and lighter standards for general-purpose AI models (GPAI). Real-time biometric surveillance by governments is heavily restricted. The rules will become binding for GPAI providers on August 2, 2025, with phased enforcement timelines allowing existing models until August 2, 2027, to comply. The code emphasizes shared standards and encourages adherence from AI providers such as ChatGPT, Llama, Gemini, and Claude. EU tech chief Henna Virkkunen has urged companies to join the code for a collaborative compliance path. Final approval by EU countries and the Commission is expected by year-end.
3. <https://www.ft.com/content/32a3c83d-64ed-4c83-a5d3-a6cd89b087ba> - The European Union has released its finalized code of practice for general-purpose artificial intelligence, advancing its strict AI regulatory framework despite heavy lobbying from the U.S. government and major tech companies. The code outlines implementation rules for powerful AI models like OpenAI's GPT-4 and Google’s Gemini and includes requirements for copyright protections and independent risk assessments. The move comes amid criticisms from European corporations, including Airbus and BNP Paribas, which have called for a two-year delay, citing regulatory confusion that could hinder EU competitiveness. Additionally, civil society and privacy groups have criticized perceived watering-down of the rules due to external lobbying. The code mandates signatories to implement technical safeguards against reproducing copyrighted content and to monitor and test AI models under the conditions established by the AI Act. Though the legislation became effective in August 2024, much of it will be phased in over several years. Industry groups argue that the code places an excessive burden on AI developers and could disadvantage compliant companies. The code still requires formal approval by the European Commission and member states.
4. <https://apnews.com/article/a3df6a1a8789eea7fcd17bffc750e291> - The European Union has released a voluntary Code of Practice for general-purpose artificial intelligence (AI) to help businesses align with the bloc’s AI Act ahead of its enforcement, which begins taking effect on August 2, 2025. The code targets transparency, copyright protection, and the safety and security of advanced AI systems, such as chatbots like OpenAI’s ChatGPT. The AI Act classifies AI uses by risk level, banning certain high-risk applications and imposing strict compliance obligations, with potential fines up to €35 million or 7% of global revenue. While some U.S. and European tech entities, including Meta and corporations like Airbus and Mercedes-Benz, have criticized the regulations as overly burdensome and called for delays, the European Commission shows no intent to pause implementation. Henna Virkkunen, the Commission’s executive vice president, emphasized that the code fosters innovation while ensuring safety and transparency in AI deployment across the EU.
5. <https://www.reuters.com/technology/siemens-sap-call-eu-revise-its-ai-regulations-faz-2025-07-13/> - Siemens CEO Roland Busch and SAP CEO Christian Klein have called on the European Union to revise its current artificial intelligence (AI) regulations, arguing that the EU's AI Act is hindering innovation and technological progress. In an interview with the Frankfurter Allgemeine Zeitung, the executives stated that overlapping and conflicting rules, including the AI Act and the Data Act, are impeding digital advancements. Busch criticized the Data Act as particularly detrimental to the development of digital business models, while Klein emphasized that Europe's primary obstacle is not infrastructure, but restrictive data practices. Both leaders advocated for a reform of data regulations to allow better utilization of Europe’s data resources. Although other tech giants such as Alphabet and Meta have petitioned to delay the AI rules, Busch opted not to join their appeal, claiming it did not advocate for sufficient changes. The CEOs stressed that enabling access to data, rather than merely enhancing computing infrastructure, is crucial for Europe's digital future.
6. <https://www.ft.com/content/ce688a00-c306-414f-8f4f-c20092ee9770> - Regulating artificial intelligence (AI) effectively is one of today’s major policy challenges, as its rapid integration across industries brings both productivity benefits and potential harm, including algorithmic bias and disinformation. Despite AI's growing influence, many governments' regulatory responses have lagged behind its complexity and scale. In the U.S., while federal legislation is absent, at least 45 states have introduced 550 AI-related bills to address issues from privacy to public safety. Big tech firms unsuccessfully lobbied for a nationwide moratorium on state laws, highlighting the need for cohesive federal standards. Conversely, the EU faces criticism for its EU AI Act, which could overburden smaller companies and stifle innovation. Technologists argue for focusing regulation on AI's applications rather than the core technology itself. A smarter, more effective approach would involve adapting existing policies to address application-specific risks, ensuring enforcement and accountability. Clear, targeted rules could enhance public trust and facilitate AI’s responsible adoption without hindering innovation.
7. <https://www.reuters.com/legal/legalindustry/comparing-eu-us-ai-legislation-dj-vu-2020-2024-10-21/> - The emerging AI regulation landscape in both the EU and US mirrors the earlier situation with data privacy laws in 2020. The EU has enacted the extensive EU AI Act, which includes steep fines and the outright ban of certain AI practices, such as predictive policing and real-time biometric identification. This act demands robust risk management protocols for high-risk AI applications. Conversely, the US is adopting a fragmented, state-by-state approach without overarching federal legislation, addressing AI through consumer protection, employment rights, and transparency obligations. Notable examples include Utah's AI Policy Act for consumer protection, Illinois' law on employment discrimination, and Colorado's expansive AI Act set to commence in 2026, requiring public transparency and bias assessments for high-risk AI systems. Given these developments, companies must adopt comprehensive, globally-oriented AI risk management strategies to navigate the growing and varied regulatory landscape.