

## **EU-Japan Digital Partnership Webinar: How to support an innovative, safe and fair AI – the case of EU AI Act and Japan's AI Guideline**

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Co-organized by Japan Electronics and Information Technology Industries Association (JEITA)  
and EU-Japan Centre for Industrial Cooperation (EUJC)

### **Presentations:**

#### **Juha Heikkilä, Adviser for International Aspects of Artificial Intelligence, Directorate-General for Communications Networks, Content & Technology, European Commission**

The EU has three main pillars in our AI strategy: 1) excellence - research, innovation and capacity building aspects; 2) trust, which is related to AI Act, and 3) international cooperation aspect for which Japan is a key partner. With the AI Act, the EU 27 member states want to avoid fragmentation of the legal landscape in the EU but also the fragmentation of the single market. It is complementary with the existing law. Since it is a proportionate risk-based approach, it leaves plenty of scope for innovation. Innovation can thrive under this AI Act because it only intervenes where necessary.

There are some specific provisions regarding general purpose AI models or generative AI, which are "Transparency for all general-purpose AI models" and "Risk management for those with systemic risk". Rules for AI systems are being enforced at the national level, while rules for general-purpose AI models are introduced at the EU level. Member states will designate supervisors to implement Rules for AI systems, while AI Office in the Commission takes care of the latter. To support this work, we have set up AI Board, Scientific Panel and Advisory Forum.

The AI act entered into force in August 2024. As for the priority workstreams, we have a three-year transition period during which provisions become applicable. This way, the providers will be able to adapt and make necessary changes to take into account the AI Act. The AI Office is involved in the implementation and has a central role in it in the European Commission. It covers the whole range of our AI activities including research innovation capacity building and our international engagement. We have developed AI ecosystem of excellence which consists of six functions. Now the AI Act is in the implementation phase, we are increasingly focusing on building capacity for developing AI and boosting innovation, take up and deployment. The central aim is to make Europe one of the leaders in AI and frontier technologies, an AI continent.

Finally, amidst the rapid progress of AI capabilities, the EU and Japan can benefit from a closer cooperation by especially gaining a better understanding of the capabilities, limitations, and risks of general-purpose AI and emerging AI models. We hope to strengthen our ties with Japan to

boost innovation and the take up of AI, particularly in strategic sectors, based on close and long relations with METI and MIC.

### **Makiko Tsuda, Director Secretariat of Science, Technology and Innovation Policy, Cabinet Office**

The Japan AI Act was submitted to the Diet at the end of February and approved by the Cabinet. It will undergo deliberation in the Diet, and if approved, it will become a law. The purpose of this bill is to promote innovation while addressing risks by considering both aspects. I believe this approach is similar to that of the EU. On the other hand, one key point I would emphasize regarding this bill is that it does not include regulations or penalties. In fact, the bill is titled the "Act on the Promotion of Research, Development, and Utilization of Artificial Intelligence-related Technologies," and its primary goal is to promote the advancement of AI-related technologies.

Another purpose of this bill is to improve the quality of life for citizens and promote the development of the national economy. The basic philosophy is that, since AI is extremely important for the economy, society and national security, it is crucial to maintain research and development capabilities in AI to enhance international competitiveness. Additionally, as AI capabilities evolves rapidly from basic research to practical application, the bill aims to promote these stages comprehensively in a coordinated manner. Furthermore, to ensure proper research and development utilization, the bill emphasizes the need for transparency. It also highlights the importance of international cooperation.

The bill stipulates the establishment of new AI Strategy Headquarters within the government. Based on the law, AI Strategy Headquarters will develop a basic AI plan, which will set out the fundamental policies that the Japanese government will pursue. It is understood that this is relatively similar in some respects to the EU's AI Office.

The Basic Measures outline the promotion of research and development, the improvement of facilities and infrastructure, the promotion of sharing, and the advancement of education regarding AI as a new technology. Additionally, since Japan has led discussions on the Hiroshima AI Process, the bill emphasizes Japan's commitment to actively participating in and helping to shape international norms moving forward.

Given the rapid pace of AI technology development, the law is designed to be flexible, allowing for timely and appropriate revisions after its enactment. While the bill does not carry strong enforcement powers and mainly sets out fundamental principles, it is intended to address both the promotion of innovation and the response to risks, ensuring that Japan can effectively utilize its favorable environment to respond to public concerns. Hence, the bill aims to advance these two pillars—promoting innovation and addressing risks—steadily and effectively.

**Tagui Ichikawa, Specially Appointed Professor, Institute of Innovation Research, Hitotsubashi University**

Recent developments in global AI governance are progressing rapidly. In particular, the rise of generative AI in 2023 drew significant attention, and the AI Safety Summit held in the UK around October 2023 acted as a catalyst, accelerating research into the regulation of foundational AI models and AI safety. As a result, research on AI risks advanced, but at the same time, the need arose to reassess regulatory frameworks due to changes in technology and industrial structures. The advancement of AI technology, along with the emergence of many new players, including startups, and the widespread use of open models, has led to a reevaluation of regulatory approaches.

In the U.S., the second Trump administration caused a major shift in AI policy, with deregulation and efforts to enhance competitiveness being pursued. Policies emphasizing leadership in AI are currently underway, with a focus on investing in AI technologies. In Canada, while a bill related to AI was discussed, it was ultimately scrapped.

In the EU, the AI Act has been implemented, with strengthening competitiveness being a top priority. Particularly, support for startups and deregulation are being advanced, and new AI-related strategies are being developed. President von der Leyen announced an investment of 200 billion euros to promote the development of AI technologies. In the UK, after the change in government to the Labour Party, the AI Opportunity Action Plan was introduced, emphasizing deregulation and innovation support. France has outlined a strategy to strengthen AI and position itself as a leading AI nation.

In Japan, discussions on AI legislation have taken place, and the country will proceed with its existing policy. Meanwhile, South Korea has passed the AI Basic Act, and regulations, particularly concerning generative AI, are expected to be advanced. Japan has demonstrated leadership in the G7 Hiroshima AI Process, where international codes of conduct have been created and reporting frameworks have been established. China, as the first country in the world to regulate generative AI, has advanced AI promotion measures at the National People's Congress and developed a standardization plan.

International cooperation on AI capacity building within the UN is also progressing, strengthening support for developing countries.

Overall, AI governance remains a critical issue going forward, and countries need to strike a balance between promoting innovation, deregulation, and investment. With China and India emerging as significant future players, the key will be how Japan and the EU collaborate to address these developments.

**Marco Canton, Senior European Affairs Executive, Fujitsu Ltd. / Chair of Digital Innovation Committee, JBCE**



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As representant of the Japanese industry with strong business in the EU but also as a member of Digital Europe, I would like to go through some of the key points and recommendations that we are pushing from our industry perspective in different fora when it comes to the EU-Japan partnership. We are committed to multiple events and meetings including the BRT and the EU-Japan Digital Partnership in addition to more global fora such as G7 and Tech7 meeting. We also look at the Hiroshima AI Process with a lot of attention and interest. I would also like to highlight the importance from our perspective of the international code of conduct. Hence, we believe this initiative is very important to allow companies to develop AI solutions in different countries and implement solutions that are interoperable by design. At the same time, we would strongly recommend increasing the cooperation and the discussion when it comes to common standards between EU and Japan.

Coming to a very concrete recommendations that we are pushing in multiple bilateral dialogues between EU and Japan, I would like to mention the AI sandbox that we are trying to recommend as a common joint initiative. It is the idea of developing the sandbox process in order to ensure that AI solutions can be tested in a safe environment, testing solutions of a particular sector within the digital partnership every year. The sector will be changing every year according to the preferences and the recommendations from the different industries from EU and Japan.

We are also very closely following the AI factories initiative in the EU. We do believe this is a great initiative followed by the upcoming AI gigafactory initiative. Also, this is very positive and should be somehow complemented by a common initiative between the EU-Japan where we could announce a joint R&D initiative and co-developing AI solutions for industrial applications.

To conclude my speech, it is very important that the EU and Japan have a common approach when it comes to the AI, and promote this approach also at global level in different fora. The ongoing negotiation to get Japan as associated country in Horizon Europe program is very important point, and we are strongly recommending it.

**Yasuo Tanabe, Japan-side Managing Director, EU-Japan Centre for Industrial Cooperation,** asked the following questions in the Q&A/discussion session as moderator.

- (To Dr. Heikkilä) Until at least last year, the EU actively incorporated regulations into its AI policy. However, broader AI policies such as innovation and international cooperation were mentioned in today's presentation. What lies behind this shift or transition? Also, many policies focusing on industrial competitiveness have also been introduced by the EU recently. A package for regulatory simplification has been proposed as well. Are there elements related to the AI Act included in these competitiveness packages?
- (To Dr. Tsuda) With regards to the bill you elaborated on, which I believe is likely to be passed in the Diet, you mentioned that further measures could be taken if necessary. Is there a possibility that this law will have stronger legal enforceability and that stricter measures may be taken to ensure safety in the future?

- (To Dr. Ichikawa) In relation to the policy of the second Trump administration in the U.S., what was the background behind the U.S. and U.K. not signing the Paris AI Summit agreement? How should Japan and the EU respond to a Trump-led America?
- (To Mr. Canton) Could you share details on AI Sandbox and AI factory?
- (To Dr. Heikkilä) Please share your views on AI Sandbox and AI factory just explained by Mr. Canton and Japan's associate membership to the Horizon Europe program.