

The EU AI Act as a Template for Global Digital Governance: Ethics, Accountability and Risk Management

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Abstract:

The European Artificial Intelligence Act (AI Act) represents a turning point in how organizations will design, deploy, and govern artificial intelligence systems. Anchored in principles of transparency, accountability, and risk mitigation, the Act not only sets out to safeguard fundamental rights but also to shape global standards for responsible innovation. Yet its promise comes with complexity: companies must now navigate a dense network of compliance obligations across the AI value chain, from developers and distributors to deployers and corporate end-users. Meeting these expectations demands robust governance architectures, comprehensive documentation, and continuous monitoring—placing new pressures on boards, compliance functions, and executive leadership.

Like the General Data Protection Regulation (GDPR), the AI Act carries extraterritorial reach, extending its influence well beyond Europe's borders. Non-EU organizations offering AI products or services in the EU will face the same obligations and liabilities as their European counterparts, including potential fines, reputational exposure, and heightened scrutiny from regulators and consumers.

For business leaders and compliance officers, the AI Act is more than a legal constraint—it is a catalyst for transforming governance, risk, and strategy. It compels organizations to balance innovation with accountability, integrate AI literacy into decision-making, and align ethical, legal, and technical disciplines within a unified governance framework. As the Act becomes the global benchmark for AI regulation, proactive adaptation will distinguish firms that view compliance as a strategic advantage from those that see it merely as a cost of doing business.

Keywords:

Artificial Intelligence, Privacy, Corporate Governance, GDPR, Compliance, European AI Act.