

Scope

When does the EU AI Act apply?

The AI Act can apply even if you're based in New Zealand

The AI Act focuses on regulating the development and use of AI systems in the EU. But it also applies to AI systems developed or deployed anywhere in the world – including in New Zealand – that are **made available in the EU** or where the **outputs of those AI systems will be used in Europe**.

This means Kiwi organisations developing, selling or using AI in a way that impacts Europeans will have to comply with the AI Act's requirements. And there are some very large fines for non-compliance – like up to €35 million or 7% of global annual turnover for the previous year if you make a prohibited AI system available.

Companies with global footprints are likely to use the AI Act as a baseline for their global AI governance and compliance efforts. And if you've got these kinds of multi-national or EU-based businesses as customers, you can expect them to demand evidence that you're compliant. Even organisations that aren't subject to the AI Act may still choose to align to what is currently the 'gold standard' for responsible AI.

How the AI Act applies depends on your role

The extent of your obligations depends on your role in the AI supply chain. So you'll need to work out where you fit in.

- **Providers** develop AI systems and make them available in the EU under their own names. E.g. a developer of a CV-screening tool.
- **Deployers** use AI systems developed by others, eg a bank buying a CV-screening tool.
- **Importers** make someone else's AI system available in the EU.
- **Distributors** make AI systems available in the EU, other than Providers or Importers.
- **Product manufacturers** make AI systems available in the EU along with their own products.

The risk level of your AI system is the other key determinant of how the AI Act applies. For more information, see **EU AI Fact Sheets 3: Prohibited Systems** and **4: High-risk AI Systems**.

Are there any exceptions?

The AI Act doesn't apply in the following circumstances:

- **R&D:** AI systems developed and used for the sole purpose of scientific research and discovery are exempt, as are research, testing and development activities undertaken before AI systems are placed on the EU market or put into service. This does not include testing in 'real-world conditions'.
- **Open-source AI:** AI components provided under 'free and open-source licences' are exempt, except in relation to prohibited or high-risk AI systems or General Purpose AI models with systemic risk.
- **Personal use:** individual use of AI systems for purely personal, non-professional activities is not covered.