

Digitalization and European *Company* and Market *Law*

Test Case:

Data Quality and the Use of AI in Company Relations

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Digitalization and European Company and Market Law

Multitude of Acts, Boom Sphere for European Legislation

- **Status Quo and Upcoming Legislation (*pending*)**
 - **A Word on Company and Market Law – Link (“Voice and Exit”)**
 - **Primarily Market Related**
 - General Data Protection Regulation (EU) 2016/679
 - Directive (EU) 1990/770 – Digital Contents – and 1990/771 – Digital Components in Sales Law
 - *Product Liability Regulation 1985/374/EEC -> Update on Digital Products (EU Commission Public Consultation 2021/22)*
 - *EU Data Act (Access + IP Law) (EU Commission Proposal 2/2022)*
 - **Primarily Company Law Related (with Platform Organization)**
 - ***EU Artificial Intelligence (AI) Act (proposal 4/2021)***
 - *EU Digital Markets Act (final vote in the European Parliament on the 5th of July 2022) + Digital Services Act (same)*
 - Others, for instance online creation of Ltd.s (Companies’ Register regulation)

AI Compliance in Company Law

Data Quality and the Use of AI in Company Relations

- **Status Quo: Company Relations – namely the Principal**
 - **Company Law: German, European, Global**
 - Legal Development
 - – Digitalization, Capital Market Law, Company Relations (Principal)
 - Literature
 - **Company Law: Managers and Principals**
 - The Model and its Explanation
 - The Reality of AI
 - Examples

AI Compliance in Company Law

- **Some Rules in the AI Act**

- Art. 10 AIA: Governance of **Untrained Data**
- Art. 13/14 AIA: **Transparency** of AI Models and **human surveillance**
- Art. 15: **Precision, Robustness, Cyber Security**
- Art. 8/17 AIA: **Risk and Quality Management**

- **Relevance of the Rules**

- **Directly:** For High Risk Areas (Annex III of AI Act)
- **Indirectly:** → as a **general model** (transposition, case law)
→ *legislation still pending*

AI Compliance in Company Law

- **Status Quo and the Use of AI**
 - **Focus of AI Literature on Use by Management**
 - **AI Use by Shareholders, potentially Stakeholders**
 - AI as „Empowerment“
 - Core Desideratum in the Whole of the Law of Listed Companies („Household Investment Gap“)
 - Theoretically: Creating Links between Untrained Data and Trained Data (Models, Algorithms) + for the Core Player in Economy
- ***Core Research Desiderata Arising from Status Quo (next slide)***

AI Compliance in Company Law

- *Status Quo and the Use of AI (last slide)*
- **Core Research Desiderata Arising from Status Quo**
 - **Empowerment via AI for Shareholders („Voice“)**
 - Shareholder Fora
 - Enhancing Management's Shareholders Relations
 - **Empowerment via AI for Investors („Exit“)** → Guidance in Investment/Desinvestment, esp. For Household Investment
 - **More Generally: ... for Equilibria in and around Listed Companies („Corporate Digital Responsibility“)**