

**SPAIN PROMOTES THE FIRST REGULATORY SANDBOX FOR  
THE AI LEGAL FRAMEWORK IN EUROPE**

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## SPAIN PROMOTES THE FIRST REGULATORY SANDBOX FOR THE AI LEGAL FRAMEWORK IN EUROPE

The Spanish government is about to publish the legislation basis for the development of the first regulatory sandbox regarding Artificial Intelligence (AI). The publication of the Spanish Royal Decree that regulates its functioning is envisaged for this April 2023.

This pilot regulatory sandbox was already presented in June 2022 in Brussels and the Spanish Government has been working on its implementation since last October.

The sandbox aims to bring competent authorities close to companies that develop AI to define best practices that will guide the implementation of the future European Commission's AI Regulation (Artificial Intelligence Act). This would also ensure that the legislation can be implemented in two years. This way, Spain becomes the first country investing part of its European funds to launch an ambitious experiment in one of the most relevant tech drivers that will define the economic and employment scenario in the following years. The sandbox is envisaged with the support of an overall budget of approximately 4.3 MEUR, and the European Commission will also collaborate in its performance.

The main goal of this practical experience is to reach a guide of good practice and implementation guidelines that will be published and presented during the Spanish Presidency of the Council of the EU as of the second quarter of 2023. These guidelines will be made available to all Member States and the European Commission.

This will allow all the companies interested in this technical experiment to apply for a participation in the process. The most relevant companies whose core business is AI based have already been invited to participate in the sandbox. These companies will test the requirements and the new procedures proposed in the Artificial Intelligence regulation that is being prepared for the EU. Therefore, the sandbox is aimed at the real players that will work with AI use cases in the market to develop together the best protocols and good practices regarding AI application in Europe.

The basis of the sandbox is the determination of the AI tools that have “risk applications”. The Regulation will try to create different risk nuances, so that the AI application is put down to earth by the definition of the use cases with the highest risk.

Therefore, the sandbox initiative is expected to generate easy-to-follow, future-proof best practice guidelines and other supporting materials. It also projects to facilitate the application of these methods to companies, in particular to small/medium companies and startups. These companies will surely benefit from increasing legal certainty and new know-how on compliance. It is also envisaged that this process leads to the creation of a Spanish Supervisory Authority for Artificial Intelligence, that will act as the competent authority in these matters.

Hopefully by the end of this year we will start to see which are the method tools that the sandbox creates for the application of the AI regulation in the European context, and specially the level of clarity and easy application of such tools to the core business of the AI based businesses.

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