



## AI AND THE LAW: A COMPARATIVE OVERVIEW OF GLOBAL REGULATORY APPROACHES

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### Annotation

This article provides a comparative overview of the legal approaches to artificial intelligence (AI) regulation in the European Union, the United States, and China. It examines the European Union’s pioneering AI Act, the first comprehensive legal framework for AI, which adopts a risk-based model aimed at balancing innovation with fundamental rights protection. The article contrasts this with the United States’ decentralized and sectoral approach, which emphasizes innovation and agency-specific oversight in the absence of a unified federal law. It also explores China’s state-driven strategy, characterized by centralized administrative control, content regulation, and integration of political ideology into AI governance. Through this comparison, the article highlights the legal, cultural, and political factors shaping global AI regulation, and underscores the need for cross-border cooperation, ethical alignment, and informed legal practice in the age of rapidly evolving AI technologies.

### Keywords:

Artificial Intelligence, AI Regulation, EU AI Act, United States AI Policy, China AI Governance, Comparative Law, Risk-Based Regulation, Administrative Law, Digital Ethics, Data Protection, Generative AI, Legal Technology, Global AI Frameworks, Algorithmic Accountability, Fundamental Rights

### Introduction

The rapid development of artificial intelligence (AI) has created both unprecedented opportunities and serious regulatory challenges across the globe. AI technologies are



being integrated into nearly every sector—from healthcare and finance to law enforcement and national security—raising fundamental questions about privacy, accountability, human rights, and the rule of law. While AI promises increased efficiency and innovation, its unchecked deployment also carries risks of discrimination, surveillance, misinformation, and erosion of public trust.

As a result, national and regional governments are beginning to establish legal frameworks to regulate AI systems. However, these approaches vary significantly in design, enforcement, and underlying values. The European Union has adopted the world's first comprehensive AI regulation through the Artificial Intelligence Act, which classifies systems based on risk and imposes strict compliance obligations. In contrast, the United States has taken a more fragmented and sector-based approach, relying largely on existing legal tools and agency guidelines. Meanwhile, China has implemented a centralized, state-driven strategy that emphasizes administrative oversight, content control, and national security.

This article provides a comparative overview of how the European Union, the United States, and China are responding to the complex task of AI regulation. By examining their legal instruments, policy objectives, and enforcement strategies, the article aims to identify common trends, key differences, and future directions in global AI governance. Understanding these divergent approaches is essential not only for legal professionals and policymakers, but also for technology developers and businesses operating across jurisdictions.

### European Union: The Risk-Based EU AI Act

The European Union has emerged as a global leader in the regulation of artificial intelligence by introducing the **AI Act**<sup>1</sup>, the first comprehensive legal framework specifically designed to govern the development, deployment, and use of AI systems. Formally adopted in December 2023 after years of negotiations and public

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<sup>1</sup> <https://artificialintelligenceact.eu/>



consultation, the regulation reflects the EU's commitment to protecting fundamental rights, promoting trustworthy AI, and fostering innovation within a harmonized digital single market. The AI Act will become fully applicable by **August 2026**, with certain provisions, such as the prohibition of unacceptable AI practices and transparency rules for general-purpose AI.

At the heart of the legislation is a **risk-based classification system** that assigns AI applications into four categories: **unacceptable risk**, **high risk**, **limited risk**, and **minimal risk**. Unacceptable-risk AI systems—such as biometric identification in public spaces (in real-time and without safeguards), AI used for social scoring, and manipulative or exploitative AI targeting vulnerable individuals—are strictly banned under Article 5 of the Act<sup>2</sup>. High-risk AI systems, which include those used in areas such as critical infrastructure, education, employment, law enforcement, and access to public services, are permitted but must comply with extensive regulatory requirements. These include maintaining robust risk management systems, ensuring high-quality datasets, enabling human oversight, providing technical documentation, conducting conformity assessments, and registering in the newly created **EU AI database** (Investopedia, 2024).

Limited-risk AI, such as chatbots and emotion recognition tools, must comply with basic **transparency obligations**, such as clearly informing users when they are interacting with an AI system or when synthetic content is being presented. Minimal-risk AI applications—like AI-powered video games or spam filters—are largely exempt from regulatory requirements but encouraged to follow voluntary codes of conduct. Additionally, the Act introduces specific obligations for **general-purpose AI models (GPAI)**, especially those that are powerful and capable of posing systemic risks. GPAI providers must disclose information about training methods and datasets, implement safeguards against misuse, and assess potential societal impacts. Providers of **systemic GPAI models**, including foundation models like GPT-4, are subject to even stricter governance and auditing requirements. To ensure

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<sup>2</sup> <https://artificialintelligenceact.eu/article/5/>



consistent enforcement, the AI Act establishes the **EU AI Office** as the central coordinating body, tasked with monitoring GPAI models, issuing guidance, and supporting national supervisory authorities. Member States are also required to establish regulatory sandboxes to support the testing and innovation of AI technologies under real-world conditions while remaining compliant with the law. Violations of the Act may result in significant administrative fines, ranging from **€7.5 million or 1.5%** of global turnover (for supplying incorrect information) to **€35 million or 7%** of global turnover for breaches involving prohibited AI practices or non-compliance by GPAI providers (AP News, 2023)<sup>3</sup>.

Overall, the EU AI Act represents a landmark achievement in global digital governance. It reflects a values-based approach to technology that prioritizes **fundamental rights, transparency, and accountability**. The Act also demonstrates the EU's intention to **set global standards** for AI regulation, potentially influencing international trade, corporate compliance, and national policymaking beyond its borders. As other jurisdictions consider their own regulatory responses, the EU model offers a structured and enforceable blueprint for aligning innovation with democratic oversight.

#### United States: Sectoral Guidance and an Emerging Federal Approach

Unlike the European Union, the United States does not yet have a comprehensive, AI-specific federal law. Instead, its regulatory landscape is characterized by a **sectoral and decentralized approach**, relying primarily on existing legal frameworks and the authority of individual federal and state agencies. Various federal agencies such as the **Federal Trade Commission (FTC)**<sup>4</sup>, **Food and Drug Administration (FDA)**, **Department of Transportation (DOT)**, and **Securities and Exchange Commission (SEC)** regulate AI use within their respective domains, focusing on issues such as consumer protection, safety, discrimination, and data

<sup>3</sup> <https://www.europarl.europa.eu/news/en/press-room/20231206IPR15699/artificial-intelligence-act-deal-on-comprehensive-rules-for-trustworthy-ai>

<sup>4</sup> <https://www.ftc.gov/>



security. For example, the FTC has emphasized that unfair or deceptive practices involving AI—such as biased algorithms or false claims about AI capabilities—can be prosecuted under existing consumer protection laws. Meanwhile, the U.S. **Constitution and administrative law** limit the creation of centralized AI oversight, leading to a fragmented governance model that adapts existing statutes to emerging technologies.

At the federal level, recent administrations have taken steps to promote **AI governance and innovation**, primarily through executive actions and voluntary frameworks. In October 2022, the **Blueprint for an AI Bill of Rights**<sup>5</sup> was released by the White House Office of Science and Technology Policy (OSTP), offering non-binding principles to guide the design and use of automated systems. These include protections against algorithmic discrimination, rights to privacy, and transparency in automated decisions. However, the guidance is not legally enforceable. In contrast, the more recent **Executive Order 14179**<sup>6</sup> issued in early 2025 by the new administration, titled “*Removing Barriers to American Leadership in Artificial Intelligence*,” signaled a shift toward **deregulation**, directing federal agencies to minimize burdens on AI developers and avoid regulations that could stifle innovation.

At the same time, the **U.S. Congress** is actively debating AI legislation. Several bipartisan proposals have emerged, including the **Algorithmic Accountability Act**<sup>7</sup>, the **AI Research, Innovation, and Accountability Act**, and efforts to increase transparency in AI used by government agencies. However, no major federal law has passed as of mid-2025. Meanwhile, **individual states** have introduced their own AI bills, further contributing to a complex regulatory environment. For instance, **California, Colorado, Illinois, and New York** have proposed or enacted state-level laws on AI use in hiring, facial recognition, and algorithmic accountability.

<sup>5</sup> <https://bidenwhitehouse.archives.gov/ostp/ai-bill-of-rights/>

<sup>6</sup> <https://www.whitehouse.gov/presidential-actions/2025/01/removing-barriers-to-american-leadership-in-artificial-intelligence/>

<sup>7</sup> <https://www.congress.gov/bill/118th-congress/senate-bill/2892>



In summary, the United States favors a **flexible, innovation-driven regulatory model**, supported by sector-specific rules and agency guidelines rather than overarching federal legislation. While this approach encourages rapid AI development, it also leads to regulatory uncertainty, inconsistent protections, and concerns over consumer rights and ethical risks. As the U.S. prepares to introduce a federal AI strategy—expected later in 2025—the ongoing debate reflects the broader challenge of balancing technological leadership with responsible governance in a highly decentralized legal system.

#### China: Centralized Administrative Control and Content Regulation

China has adopted a distinctly centralized and state-driven approach to AI governance, characterized by **proactive administrative regulation, strict content control**, and a strong emphasis on **national security and ideological alignment**. Rather than enacting a single comprehensive AI law, China has implemented a series of overlapping administrative measures led by the **Cyberspace Administration of China (CAC)**<sup>8</sup>, in coordination with other government bodies such as the Ministry of Industry and Information Technology (MIIT) and the Ministry of Science and Technology. These measures focus on regulating specific types of AI applications—particularly **generative AI, deep synthesis technology, and recommendation algorithms**—through licensing requirements, data controls, and content moderation standards.

A key example is the “**Interim Measures for the Management of Generative AI Services**”<sup>9</sup>, which came into effect in **August 2023**. These rules require providers of generative AI systems—such as large language models and image generators—to adhere to detailed guidelines on **training data quality, user identity verification, algorithm transparency**, and the **prohibition of illegal or harmful content**. Moreover, developers must ensure that their AI outputs align with “core socialist values,” a requirement that integrates political ideology directly into AI governance.

<sup>8</sup> [https://en.wikipedia.org/wiki/Cyberspace\\_Administration\\_of\\_China](https://en.wikipedia.org/wiki/Cyberspace_Administration_of_China)

<sup>9</sup> <https://www.chinalawtranslate.com/en/generative-ai-interim/>





Building on this framework, in **September 2025**, new rules mandating **clear labeling of AI-generated content** will take effect, requiring both visible and embedded indicators to help users distinguish synthetic from authentic media. These obligations apply across text, audio, images, and video, and reflect Beijing's growing concern over the use of AI for disinformation and social manipulation.

China also regulates AI under broader laws such as the **Personal Information Protection Law<sup>10</sup> (PIPL)** and the **Data Security Law (DSL)**, which impose strict obligations on data collection, cross-border data transfers, and cybersecurity standards. Together, these laws support a **“data sovereignty” model**, giving the state expansive control over how data—especially sensitive or personal data—is used in AI systems. In April 2025, Chinese authorities released new **national standards** for the governance of foundation models and high-capability AI systems, requiring mandatory security assessments, algorithm filings, and risk evaluations prior to deployment.

China's regulatory strategy prioritizes **government oversight, social stability, and public order**, often at the expense of transparency and private sector autonomy. The result is a highly structured but state-centric framework in which **algorithmic governance is deeply intertwined with political control**. Enforcement is carried out by administrative agencies, often through real-time monitoring, licensing requirements, and sanctions for non-compliance. In comparison to the EU's legalistic and rights-based model, and the U.S.'s innovation-first approach, China's AI governance reflects a system that aims to shape AI development in alignment with national interests, while maintaining tight control over technological and informational ecosystems.

## Conclusion

As artificial intelligence continues to reshape economies, societies, and legal systems, the need for clear and effective regulatory frameworks becomes

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<sup>10</sup> <https://personalinformationprotectionlaw.com/>



increasingly urgent. The comparative analysis of the European Union, the United States, and China reveals **three fundamentally different approaches** to AI governance. The **European Union** has positioned itself as a global regulatory leader by enacting the AI Act—a comprehensive, risk-based legal framework grounded in fundamental rights and democratic values. In contrast, the **United States** has adopted a more fragmented and innovation-oriented model, relying on sector-specific regulations, agency guidelines, and emerging legislative efforts, though a cohesive federal strategy remains under development. Meanwhile, **China** has implemented a centralized, top-down regulatory structure that emphasizes administrative control, data sovereignty, and ideological compliance, reflecting its broader approach to digital governance.

These contrasting models highlight the diversity of global responses to the complex challenges posed by AI, as well as the legal, cultural, and political values that shape them. While the EU prioritizes precaution and transparency, the U.S. leans toward innovation and flexibility, and China focuses on control and state authority. As AI technologies become more powerful and widespread, **cross-border collaboration, interoperability, and ethical alignment** will be essential to ensure that regulatory regimes promote both **technological progress** and **human rights protections**. Understanding these global frameworks is therefore critical for legal professionals, policymakers, and developers working to navigate the future of AI in a rapidly evolving legal landscape.

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