



Artificial Intelligence Regulation: A Global Perspective on the European Union Artificial Intelligence Act and Nigeria's Regulatory Prospects

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Introduction

While major economies like the **US, UK, and China** take varied regulatory approaches, **Nigeria is still in the early stages of AI governance.**

Artificial Intelligence (AI) has become a transformative force across various sectors, including healthcare, finance, security, and governance. Its rapid evolution has raised complex legal, ethical, and regulatory concerns worldwide, particularly regarding data privacy, ethical use, bias, and accountability. In response, the European Union (EU) has adopted the Artificial Intelligence Act ("The Act"), the first comprehensive legislation aimed at regulating AI.

This development has ignited international discussions, with countries such as the United States, the United Kingdom, and China adopting diverse approaches to AI regulation. Nigeria has initiated efforts toward AI governance in Africa, though it still lacks a definitive regulatory framework. This article examines the Act from a global perspective, evaluates Nigeria's current AI regulatory landscape, and highlights the challenges and opportunities for AI governance globally.

An Overview of the European Union Artificial Intelligence Act

The Act which entered into force on 1st of August, 2024, is the world's first comprehensive regulatory framework for AI, setting a precedent for global AI governance, it adopts a comprehensive, risk-based framework for AI regulation. The Act classifies AI systems into distinct risk categories, each subject to specific regulatory requirements:^{1,2}

1. Unacceptable Risk:

These are AI systems incompatible with EU values of regard for human dignity and are prohibited under the Act. This includes applications that manipulate human behaviour, enable social scoring, real-time biometrics surveillance in public spaces or facilitate predictive policing. This category reflects the EU's commitment to safeguarding fundamental rights as there are penalties in this category, capped at 7% of the organization's global turnover or €35,000,000 (thirty-five million euros), whichever is greater.

2. High Risk:

A significant portion of the Act addresses high-risk AI systems, which are subject to stringent regulatory requirements. These

systems, deployed in critical areas such as healthcare, education, recruitment, and law enforcement, must comply with comprehensive risk assessments, transparency obligations, and mandatory human oversight to mitigate potential harm and ensure accountability.³

3. Limited Risk:

AI applications with limited risk are subject to specific transparency obligations. For instance, users must be informed when they are interacting with an AI system, such as chatbots or AI-generated content. This ensures informed user consent and awareness.

4. Minimal or No Risk:

General-purpose applications such as AI-enabled games or spam filters fall under this category. These systems are largely exempted from the Act but must comply with other existing regulations like the General Data Protection Regulation (GDPR).⁴

Key Provisions of the Act

1. Mandatory Compliance for High-Risk AI (Article 16):

Developers of high-risk AI systems are required to conduct rigorous conformity assessments and ensure transparency in AI decision-making processes to mitigate risks and enhance accountability.

2. Transparency Obligations (Article 52):

The Act mandates that AI-generated content must be clearly labeled, and consumers must be informed when interacting with AI-driven systems to promote trust and prevent deception.

3. AI Sandboxes (Article 57):

To foster innovation, the Act allows AI developers to test and refine models in controlled environments, known as "AI sandboxes," before commercial deployment, ensuring safety and compliance.

4. Severe Penalties (Article 99):

Companies found in violation of the Act may face fines of up to €35 million or 7% of their global turnover, underscoring the importance of strict regulatory adherence.

Before the Act, various countries including the United States and the United Kingdom had implemented sector-specific guidelines and policies related to AI, but none had enacted a unified, overarching legal framework

addressing AI across all sectors, making the Act the first comprehensive legislation aimed at regulating AI. Also, the Act's extraterritorial implications mean that it affects any AI system impacting individuals within the EU, regardless of the provider's location/country, further emphasizing its global significance.

Additionally, while the Act has entered into force, its full applicability will be on 2nd August 2026. However, certain provisions will come into effect earlier as follows:⁵

- The ban on AI systems posing an unacceptable risk will apply 6 (six) months after the Act enters into force.
- Codes of practice for AI systems will take effect 9 (nine) months post-entry into force.
- Rules governing general-purpose AI systems, particularly those requiring compliance with transparency requirements, will apply 12 (twelve) months after entry into force.
- High-risk AI systems will have additional time to comply, as obligations concerning them will only become enforceable 36 (thirty-six) months after the Act enters into force.

These staggered timelines aim to balance the need for robust AI regulation with the practicalities of implementation, allowing stakeholders adequate time to adapt to the new requirements.

International Perspectives on AI Regulation

United States:

The United States has adopted a distinct approach to AI regulation, especially in response to the Act. While the EU has implemented a comprehensive, risk-based framework for AI governance, the U.S. strategy emphasizes a lighter regulatory touch, focusing on fostering innovation and maintaining global competitiveness.

In January 2025, President Donald Trump issued Executive Order 14179, titled "Removing Barriers to American Leadership in Artificial Intelligence," which rescinded previous AI policies that were perceived as restrictive. This order aims to streamline AI development by reducing regulatory constraints, thereby promoting rapid innovation in the AI sector.⁶ David Sacks, appointed as the White House AI and Crypto Czar, has been instrumental in shaping this pro-innovation agenda.⁷ The administration's stance is to avoid overarching federal AI legislation, opting instead for sector-specific guidelines and voluntary frameworks. This approach is designed to prevent potential overregulation that could stifle technological advancement.

In the absence of comprehensive federal legislation, individual states have taken the initiative to regulate AI within their jurisdictions. The Colorado AI Act, for instance, has established a foundational framework that mirrors several elements of the EU AI Act, focusing on transparency and accountability in AI applications. Similarly, states like California; California's Consumer Privacy Act which addresses aspects of AI in automated decision-

making, New York, and Florida have introduced their own AI regulations, addressing concerns ranging from consumer protection to ethical AI deployment.⁸ This patchwork of state laws reflects diverse regional priorities and underscores the dynamic nature of AI governance in the U.S.

The Act, which categorizes AI systems based on risk levels and imposes stringent requirements on high-risk applications, has significant implications for US-based companies operating within the EU. These companies must ensure compliance with the EU regulations to continue their operations in European markets. This has prompted U.S. businesses to adapt their AI systems and practices to meet EU standards, leading to increased collaboration between U.S. firms and European regulators to navigate the complex compliance landscape.

The EU and the U.S. take different approaches to AI regulation. The Act establishes a unified, risk-based framework with strict compliance requirements and penalties, while the U.S. follows a decentralized model combining federal guidelines and state laws, leading to a fragmented regulatory landscape. The EU's approach sets global standards, whereas the U.S. continues to develop AI governance through various initiatives. Both regions face challenges in balancing innovation, ethics, and public safety in their evolving AI regulations.

United Kingdom

As of February 2025, the United Kingdom has adopted a distinctive approach to AI regulation, focusing on fostering innovation while addressing ethical and legal concerns. In January 2025, Prime Minister Sir Keir Starmer unveiled the AI Opportunities Action Plan, aiming to position the UK as a global leader in AI technology. This plan emphasizes a pro-innovation regulatory framework, encouraging both public and private sectors to integrate AI responsibly. The government has endorsed 48 (forty-eight) of the plan's 50 (fifty) recommendations, with implementation steps scheduled over the next year.⁹

Concurrently, the UK government is considering reforms to copyright laws to address the growing influence of AI. A consultation launched in January 2025 seeks to clarify how copyrighted content can be used in AI training, aiming to balance the protection of creators' rights with the promotion of AI innovation. These proposed changes have sparked significant concern among the UK's creative industries.¹⁰ The creative sector,

contributing over £124,000,000 (one hundred and twenty-four pounds billion) annually to the UK economy, contends that permitting tech companies to utilize copyrighted material without explicit consent could jeopardize their livelihoods and the industry's sustainability. The government now faces the intricate task of fostering AI development while upholding intellectual property rights, aiming to establish a framework that nurtures innovation without compromising the interests of content creators.

The UK's approach to AI regulation contrasts with the Act. While the Act imposes legislative obligations across all stages of an AI system's lifecycle, the UK favours a principles-based, adaptive framework.¹¹ Also, instead of assigning AI governance to a new central regulator, the UK empowers existing regulators to develop tailored approaches for specific sectors, aiming to maintain flexibility and encourage innovation.

China

China continues its strategic pursuit to become a global leader in AI by 2030, implementing a regulatory framework that seeks to balance innovation with oversight.¹² In August 2023, the Cyberspace Administration of China, along with six other ministries, introduced the Interim Measures for Generative AI Services.¹³ These regulations mandate that AI-generated content providers conduct data processing in compliance with Chinese laws, emphasizing the protection of intellectual property rights and requiring consent when personal data is involved. The measures apply to providers offering services to the public while exempting entities engaged in

scientific research, thereby promoting technological advancement within a controlled environment.

This regulatory approach contrasts with the Act, which implements a comprehensive, risk-based framework categorizing AI applications by risk levels and imposing corresponding obligations. While the EU focuses on preemptive regulation to mitigate potential risks, China's strategy involves active government oversight, particularly concerning content control and national security, to guide AI development in alignment with state objectives.

Nigeria's AI Regulatory Landscape

Although Nigeria lacks comprehensive AI regulation, several initiatives and policies have laid the groundwork for responsible AI governance. In May 2020, the National Information Technology Development Agency (NITDA) released guidelines for managing personal data.¹⁴ This is a significant step toward regulating how personal information is processed in Nigeria. These guidelines established fundamental principles for data collection, storage, and usage, ensuring that organizations prioritized data privacy and security. While the guidelines did not specifically address artificial intelligence (AI), they created a foundation for governing AI systems that depend heavily on personal data for functionality.

Building on this momentum, Nigeria established the National Centre for Artificial Intelligence and Robotics (NCAIR) in November 2020.¹⁵ NCAIR, as a hub for technological advancement, not only drives research but also supports policy development aimed at integrating AI into Nigeria's digital economy. By fostering innovation and collaboration, the centre underscores the strategic role AI plays in driving economic growth and enhancing technological capabilities. To complement these efforts, NITDA initiated the drafting of the National Artificial Intelligence Policy (NAIP) in 2022.¹⁶ This policy was developed through a consultative process involving various stakeholders to ensure inclusivity and relevance.

Furthermore, Nigeria demonstrated its commitment to international AI governance by signing the Bletchley Declaration on AI in November 2023.¹⁷ This declaration symbolized Nigeria's alignment with global efforts to foster

ethical standards and mitigate risks associated with AI technologies. Through this collaboration, Nigeria showcased its intent to contribute to shaping a global AI framework that balances innovation with accountability and inclusivity.

Lastly, Nigeria unveiled its National Artificial Intelligence Strategy (NAIS) in August 2024, demonstrating its commitment to advancing AI.¹⁸ This strategy, spearheaded by NITDA in collaboration with the Federal Ministry of Communications, Innovation, and Digital Economy, and the NCAIR, outlined a vision to leverage AI across key sectors of the economy.

Together, these milestones reflect Nigeria's deliberate steps toward harnessing AI for development. Despite these initiatives, Nigeria faces challenges, including the absence of comprehensive AI-specific legislation and limited regulatory capacity. The current reliance on guidelines and existing laws, such as the NDPA, may not sufficiently address the complexities of AI technologies. In contrast, the EU's AI Act offers a robust legal framework with clear compliance requirements, providing a more structured approach to AI governance.

To bridge this gap, Nigeria could consider enacting AI-specific legislation that incorporates risk-based classifications and compliance requirements, tailored to its unique socio-economic context. International collaboration is also crucial. Nigeria's participation in global initiatives, such as signing the Bletchley Declaration in 2023, demonstrates a commitment to aligning with international AI governance standards.

Challenges and Opportunities for AI Governance in Nigeria

Nigeria has made significant strides in adopting AI through strategic policies and initiatives. However, establishing a comprehensive regulatory framework presents several challenges, which also offer promising development opportunities:

1. Absence of Specific AI Legislation:

Currently, Nigeria lacks dedicated laws addressing the multifaceted aspects of AI. Existing regulations, such as the NDPA, primarily focus on data privacy and protection, leaving gaps in areas like ethical considerations, liability for AI-driven decisions, and sector-specific applications. Therefore, developing a comprehensive legal framework that establishes ethical standards, clarifies liability for AI-driven decisions, and regulates sector-specific applications. Drawing inspiration from models like the Act, such legislation should adopt a risk-based approach to balance innovation with necessary safeguards. Additionally, Nigeria can enhance regional cooperation by aligning its AI regulations with broader continental objectives. This alignment would facilitate knowledge sharing, harmonized regulations, and a more collaborative approach to AI governance.

2. Capacity Constraints in Regulatory Institutions:

Regulatory bodies in Nigeria, including the National Information Technology Development Agency (NITDA), face

challenges in keeping pace with rapid AI advancements. Resource constraints and a shortage of specialized expertise hinder their ability to effectively regulate evolving AI technologies. Consequently, investing in capacity building for key regulatory bodies such as NDPA, NITDA, and the NCAIR. Prioritizing training and technical upskilling will empower these agencies to better understand and manage complex AI systems.

3. Ethical and Societal Considerations:

AI systems introduce complex ethical and societal dilemmas, particularly in high-stakes sectors like law enforcement, financial services, and healthcare. Ensuring that AI operates in a fair, transparent, and accountable manner requires a solid legal foundation and collaboration among diverse stakeholders. To address this, launching public awareness initiatives and facilitating consultations with industry players, academics, and civil society. This collaborative approach will ensure that regulatory measures reflect both technological realities and societal values.

By addressing these challenges and seizing the associated opportunities, Nigeria can establish a robust and forward-thinking regulatory framework that not only protects its citizens but also promotes innovation and sustainable growth.

Challenges Posed by the Act and Recommendations for Global Collaboration

The Act has established a pioneering legal framework for AI, aiming to ensure trustworthy AI systems within Europe and beyond. While its objectives are commendable, the Act presents several challenges from a global perspective, particularly concerning international cooperation, regulatory harmonization, and innovation dynamics, which include:

1. Regulatory Divergence and Extraterritorial Implications:

The Act's stringent requirements and extraterritorial reach may lead to disparities between EU regulations and those of other nations, which can create compliance complexities for multinational companies and hinder the seamless integration of AI technologies across borders. Establishing collaborative platforms where policymakers from various jurisdictions can align AI regulations would help reduce fragmentation.

2. Innovation Constraints:

Critics argue that the Act's rigorous compliance obligations could stifle AI innovation, especially for startups and small enterprises lacking the resources to meet these standards. At the AI Action Summit in Paris, U.S. Vice President JD Vance cautioned against what he termed

"excessive regulation," emphasizing that the Trump administration would not tolerate other companies "tightening the screws" on U.S. firms. Suggesting it might impede technological advancement and competitiveness.¹⁹

3. Intellectual Property Concerns:

The Act has been criticized for leaving significant loopholes in copyright protection, potentially exposing creators to exploitation. Cultural organizations have expressed concerns that current provisions allow tech firms to utilize vast amounts of data under text and data mining exemptions, infringing upon intellectual property rights. Amending the Act to address existing loopholes and ensure robust protection of creators' rights is essential. This includes revisiting text and data mining exemptions and implementing measures that require explicit consent for the use of copyrighted materials in AI training.

Conclusion

The Act has established a global benchmark for artificial intelligence regulation, significantly influencing international policy discussions. The recent AI Action Summit in Paris underscored the complexities inherent in achieving global consensus on AI governance, highlighting both the potential for international collaboration and the challenges posed by divergent regulatory approaches.

In this dynamic global landscape, countries worldwide are recognizing the imperative to develop comprehensive AI

frameworks that align with international standards while respecting local contexts. Collaborative efforts, such as the establishment of AI safety institutes and international networks, are essential steps toward harmonizing regulations and fostering a cohesive global AI ecosystem. By engaging in continuous dialogue, sharing best practices, and committing to ethical AI development, nations can collectively navigate the challenges of AI governance, ensuring that technological advancements benefit all of humanity responsibly and equitably.

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