# US urges EU to rethink proposed AI code of practice amid regulatory tensions



The United States government has called on the European Union (EU) to reconsider its proposed voluntary code of practice for artificial intelligence (AI), according to a report by Bloomberg.

The proposed code, still under development, aims to align technology companies with the forthcoming EU AI Act. Under the proposed framework, companies that fail to comply with the code could face penalties including fines of up to 7% of their annual sales, while advanced AI developers could be subject to fines reaching 3% of their sales.

Critics of the draft code argue that its guidelines exceed the scope of the EU legislation and place additional burdens on AI developers. The US government, describing the code as overly stringent, has offered technical experts for further discussions but has not formally submitted public comments.

The drafting of the code is a collaborative effort overseen by the European Commission, involving technology firms, copyright stakeholders, and civil society groups. It is expected to be finalised and adopted next month, incorporating feedback from EU institutions and member states.

The tensions between the US and EU over AI regulation are reflective of deeper and longstanding philosophical differences in digital governance approaches. The EU’s regulatory framework for AI follows a history of cautious, precautionary governance of emerging technologies, grounded in historical experiences related to data misuse and abuses. Notably, the EU General Data Protection Regulation (GDPR), implemented in 2018, was influenced by lessons from the past—such as data abuses during the Nazi regime—that underscored the dangers of unregulated data collection, which facilitated discrimination and persecution.

Professor Anu Bradford, speaking about the matter, highlighted that the EU’s regulatory approach is shaped by historical context and aims to prioritise prevention of potential harms. This contrasts with the US’s generally more market-driven, innovation-prioritising stance.

These contrasting philosophies have previously surfaced during debates over GDPR, where similar US concerns were raised regarding regulatory overreach and the burden imposed on innovation. During that period, officials from the Trump administration criticised EU regulations as a form of economic “taxation” targeting American companies. The White House National Security Council further described recent EU antitrust fines as “economic extortion.”

The divergence between the US and EU views centres on balancing innovation with risk prevention and citizen protections, a divide that continues to influence transatlantic relations in the realm of digital technology governance. The ongoing negotiations around the EU’s AI Code of Practice exemplify these broader regulatory and philosophical tensions.

The information was first reported by Bloomberg and analysed by Tech in Asia, which emphasises the importance of thoughtful and responsible use of AI in journalism and technology coverage.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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