Draft Artificial Intelligence Basic Act

Legislative Proposal and General Explanation

Proposal Statement:

In light of the fact that advanced countries such as the European Union, the United States, and Canada have either enacted or proposed "Artificial Intelligence Acts" focusing on establishing principles for the development of AI technology and building public trust, and in order to define the direction and approaches for AI research and application in Taiwan, establish a sound environment for AI development, realize the goal of human-centered AI, and legalize relevant norms to promote the nation's digital transformation and guide positive technological development, we hereby propose the "Artificial Intelligence Basic Act." Please deliberate accordingly.

General Explanation:

In view of the rapid development of artificial intelligence in recent years, which has brought profound changes and significantly advanced the global economy and human society—particularly in the fields of healthcare, finance, transportation, agriculture, and the environment—it has also posed new challenges to nations.

The purpose of this Act is to establish governance principles and guidelines for artificial intelligence. Based on the foundations of human-centeredness and digital equity, the Act actively promotes the research and application of AI. At the same time, by referencing international norms, it adopts a risk classification framework to address potential risks and ensure safety.

With the aim of enabling Taiwan's AI development to thrive while balancing innovation and human rights, and enhancing the nation's competitiveness, this Draft Act is proposed. The key points are as follows:

1. Legislative purpose (Article 1)
2. Competent authority (Article 2)
3. Definition of artificial intelligence (Article 3)
4. Basic principles of AI R&D and application (Article 4)
5. Spirit of digital equity (Article 5)
6. Prevention of rights violations through AI use (Article 6)
7. Establishment and composition of the National AI Strategy Committee (Article 7)
8. Promotion of AI implementation in government agencies (Article 8)
9. Enhancing AI literacy among citizens (Article 9)
10. Interdisciplinary and international cooperation in AI (Article 10)
11. Budget allocation for AI development (Article 11)

Article 1 (Legislative Purpose)

This Act is enacted to build a smart nation, promote the research and development of artificial intelligence (AI) and the development of AI industries, establish a secure environment for AI applications, realize digital equity, protect the fundamental rights of the people, enhance social welfare, preserve national cultural values, and strengthen international competitiveness.

Article 2 (Competent Authorities)

The competent authority under this Act shall be:
1. At the central level: the National Science and Technology Council.
2. At the local level: the municipal or county (city) government.

Where matters governed by this Act fall under the responsibilities of other competent authorities for specific sectors, the respective authorities shall handle such matters.

Article 3 (Definition of Artificial Intelligence)

The term "artificial intelligence" as used in this Act refers to machine-based systems that operate with varying levels of autonomy and, after deployment, may exhibit adaptability. These systems, through sensing or input, can generate outputs—such as predictions, content, recommendations, or decisions—that influence physical or virtual environments, aiming to achieve specific human-defined objectives.

Article 4 (Basic Principles for AI Research and Application)

The State shall promote AI research and application under the principles of human-centeredness, digital equity, sustainable development, and trustworthiness, and shall adhere to the following principles:

1. Autonomy: Respect for human dignity and individual autonomy.

2. Confidentiality: Respect for privacy and trade secrets.
3. Safety: Protection of life, body, liberty, and property.
4. Inclusion: Emphasis on diversity and fairness, avoiding discrimination.
5. Transparency: Enhancement of explainability and traceability to ensure accountability.

Article 5 (Digital Equity)

All individuals shall have equal opportunities to access AI, regardless of gender, age, ability, geographic location, ethnicity, religious belief, political opinion, socioeconomic status, or other conditions.

Special consideration and protection shall be provided by law to Indigenous peoples, persons with disabilities, and other disadvantaged groups, in recognition of their autonomy and particular circumstances, and support shall be given to promote their development.

Article 6 (Prohibited Applications of AI)

The State shall prevent the use of AI in ways that infringe upon the life, body, liberty, or property of individuals, disrupt social order or ecological balance, or result in bias, discrimination, false advertising, misinformation, or other violations of relevant laws and regulations.

The competent authority shall coordinate with relevant agencies to provide or recommend tools or methods for evaluation and verification to assist authorities overseeing specific sectors in handling the foregoing matters.

Article 7 (National AI Strategy Committee)

The Executive Yuan shall establish the National Artificial Intelligence Strategy Committee. The Premier shall serve as convener and shall assemble scholars, experts, representatives from civil society and industry related to AI, Ministers without Portfolio, heads or representatives of relevant agencies, and local government leaders. The Committee shall coordinate, promote, and supervise nationwide AI affairs, and formulate the National AI Development Guidelines.

The Committee shall convene at least once per year to deliberate the Guidelines and hold emergency meetings when necessary.

The National Science and Technology Council shall provide administrative support for the Committee.

Article 8 (Government AI Implementation)

To accelerate the development of AI with local characteristics and aligned with national strategies, and to safeguard digital sovereignty and enhance government efficiency, the State shall actively promote the deployment and application of AI in government agencies.

Article 9 (AI Education and Digital Literacy)

To enhance public knowledge and skills in AI, the government shall continuously promote AI education at all levels of schools, in industry, society, and public institutions, and strengthen citizens' digital literacy.

Article 10 (Cross-domain and International Cooperation)

The State shall implement AI development policies and encourage collaboration among the public sector, academia, and industry in the following areas:
1. Promoting AI research and innovation.
2. Enhancing foundational AI education.
3. Cultivating AI professionals.
4. Advancing AI industry development.
5. Strengthening academia-industry collaboration.
6. Encouraging AI-related investment.
7. Developing infrastructure such as data centers and energy facilities beneficial to AI development.
8. Other matters related to AI development.

Article 11 (Budget Allocation)

To promote the robust development of AI in Taiwan, all levels of competent authorities shall allocate budgets accordingly. The central competent authority shall, in consultation with municipal and county (city) governments, review and adjust operational strategies annually to ensure funding aligns with AI policy needs.

Article 12 (Financial Incentives)

The State shall actively promote AI research, application, and infrastructure, plan for overall resource allocation, and provide subsidies, commissions, investments, incentives, and guidance for related industries. It may also offer tax and financial incentives to support AI development.

Article 13 (Regulatory Adaptation)

The State shall support the development, training, testing, and verification of emerging AI technologies by offering reasonable use, support, and subsidy measures, and by improving

relevant legal frameworks. Where conflicts arise between this Act and other laws, the interpretation and application shall prioritize the basic principles set out in Article 4. If necessary, other laws shall be amended.

Article 14 (Public-Private Collaboration)

The State shall promote innovative AI applications through public-private collaboration.

Article 15 (Data Openness and Reuse)

In recognition of the enduring, reusable, and traceable nature of data, the State shall establish mechanisms for data openness, sharing, and reuse to enhance data availability for AI. It shall regularly review and adjust relevant laws and regulations.

The State shall strive to improve the quality and quantity of data used for AI to ensure that training results reflect the nation's cultural diversity and protect intellectual property rights.

Article 16 (Personal Data Protection)

The personal data protection authority shall assist sector-specific authorities to avoid unnecessary collection, processing, or use of personal data during AI development and application. It shall promote the incorporation of personal data protection measures into system design and default settings to safeguard individual rights.

Article 17 (Protection of Labor Rights)

The State shall actively utilize AI to protect labor rights.

It shall also address skill gaps caused by AI development, promote labor participation, ensure economic security, and implement dignified labor policies.

Article 18 (Risk Classification Framework)

The competent authority shall coordinate with other relevant agencies to refer to international standards or norms and promote an internationally compatible AI risk classification framework, which shall be reviewed periodically.

Sector-specific authorities may develop their own risk classification and management rules based on the framework.

Article 19 (Legal Review and Harmonization)

Following the implementation of this Act, all levels of government shall review and adjust their functions, operations, and regulations in accordance with this Act to fulfill its objectives.

Before relevant regulations are established or amended, if no provisions exist, the central sector-specific authority, together with the central competent authority, shall interpret and apply the law in accordance with this Act.

Article 20 (Date of Implementation)

This Act shall enter into force on the date of promulgation.