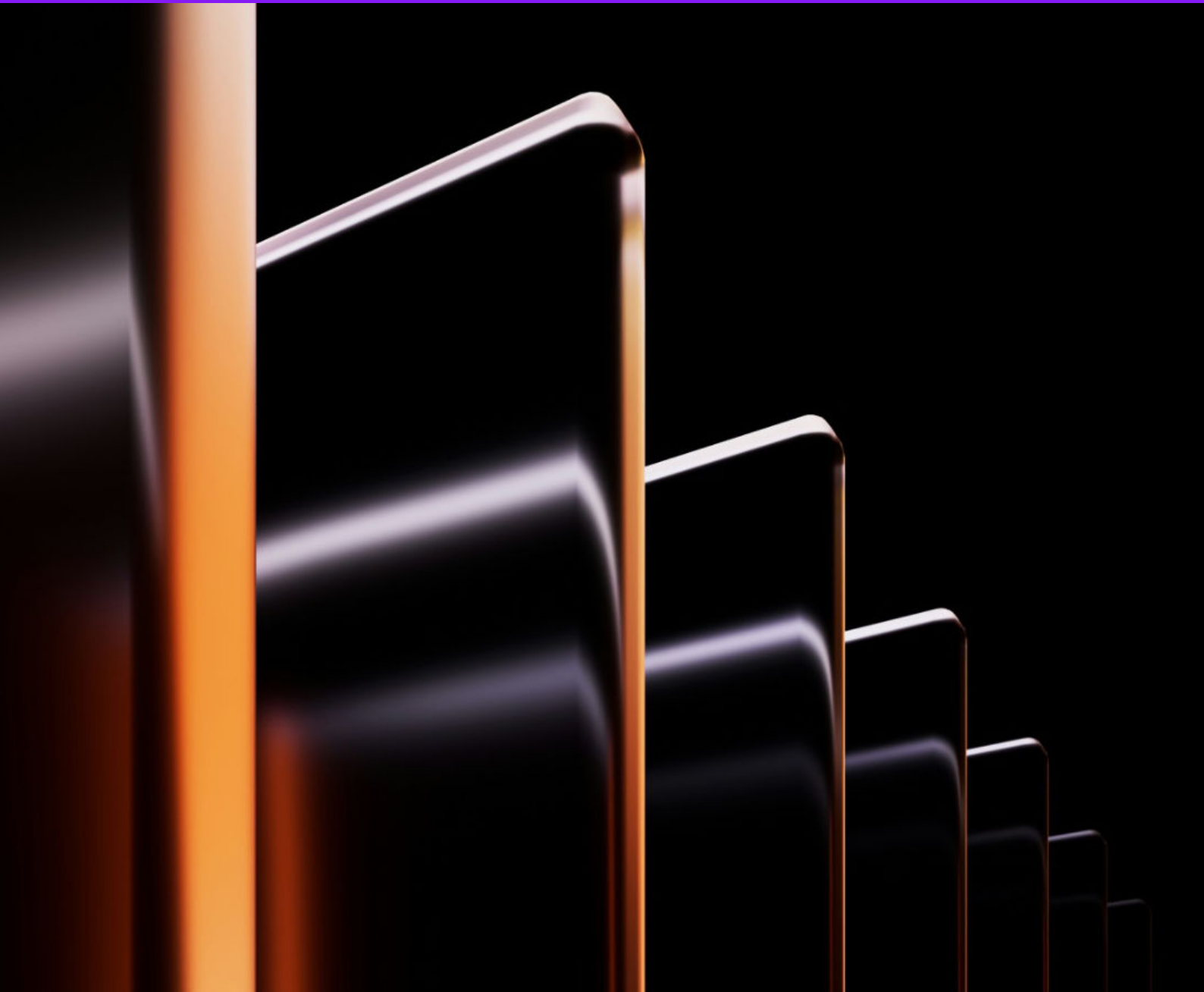


GENTEMIZER

Two-Minute Recap

IT Law Matters **Around the Globe**

2025 July



European CEOs Urge Temporary Pause on EU AI Act

More than 40 European CEOs, including those from ASML, Philips, and Mistral, have called on the European Commission to suspend the enforcement of the EU AI Act for two years. In a letter to Commission President Ursula von der Leyen, they argue that companies face an unreasonably short timeline to comply with upcoming obligations for general-purpose AI models, set to take effect in August 2025. They also request a delay for rules on high-risk AI systems, which are due in August 2026. The CEOs believe a pause would allow for simpler, more practical implementation and send a strong signal that the EU supports innovation and competitiveness. The Commission had previously stated it would publish guidance before the August deadline, though concerns persist as many companies reportedly seek more time to comply.

White House Unveils National AI Strategy Focused on Innovation and Regulatory Reform

On July 23, the White House released the America's AI Action Plan, outlining a national strategy to accelerate AI innovation and adoption. Rooted in a prior executive order by President Trump, the plan focuses on removing regulatory barriers, promoting

federal leadership, and discouraging state-level AI legislation that could create fragmented compliance obligations. It calls for updated standards, revised federal procurement policies, and a reevaluation of existing regulations that may hinder AI development.

The plan also proposes the creation of regulatory sandboxes, AI Centers of Excellence, and mechanisms to improve data access and evaluation frameworks. While industry groups welcomed the pro-innovation approach, civil society organizations raised concerns about the weakening of oversight and accountability. Ultimately, the plan's impact will depend on how federal agencies implement its directives and how the balance between federal and state authority evolves.

China's Global AI Governance Action Plan Unveiled at WAIC 2025

The World Artificial Intelligence Conference ("WAIC") 2025, held in Shanghai from July 26-28, was a key event for the AI and privacy sectors in Greater China, drawing over 800 companies and showcasing more than 3,000 high-tech products. With AI's transformative power more evident than ever, this year's conference highlighted its integration into everyday life and industries. However, alongside technological innovation, AI governance emerged as a focal point, with China's leadership stressing the importance of balancing innovation with security.

At the heart of the event, Premier Li Qiang unveiled China's Global AI Governance Action

Plan, outlining 13 strategic initiatives aimed at fostering responsible and inclusive AI development. The plan addresses the growing challenges in AI governance and sets a path for global collaboration and innovation. Key components of the action plan include:

Promoting Technological Innovation and Cross-Border Collaboration

Strengthening global cooperation to drive technological advancement and harmonize standards across borders.

Accelerating the Development of Digital Infrastructure

Investment in data centers and intelligent computing power to support AI's infrastructure needs, laying the groundwork for its widespread application.

AI Deployment Across Key Sectors

Accelerating AI integration in manufacturing, logistics, healthcare, education, agriculture, autonomous driving, and smart cities to enhance productivity and quality of life.

Encouraging the Free, Lawful, and Orderly Flow of Data

Creating frameworks for data exchange that respect privacy and intellectual property, critical to AI development.

Safeguarding Privacy and Intellectual Property Rights

Reinforcing protections for personal data and proprietary technology as AI advances.

Building an Inclusive AI Ecosystem

Fostering an open-source, collaborative environment that expands access to AI tools, especially for developing nations, ensuring equitable global benefits from AI technology.

Premier Li also announced the establishment of the World AI Cooperation Organization ("WACO"), which will be headquartered in Shanghai. This new organization aims to lead global AI governance and collaboration, positioning Shanghai as a central player in shaping the future of AI policy and regulation. As AI technologies rapidly evolve, China's action plan sets an ambitious roadmap for global AI governance, aiming for both innovation and ethical responsibility.

Concerns Grow Over EU's AI and Cloud Regulation Plans

As part of its "AI Continent Action Plan," the European Commission is preparing new regulations on AI and cloud technologies to strengthen Europe's digital infrastructure and reduce reliance on non-EU providers like Microsoft and AWS. While many companies support the aim of building a more competitive European cloud ecosystem, industry groups—including Bitkom, BSA, and Eco—have raised concerns that overly restrictive measures could

limit customer choice and hinder access to high-performing services. Stakeholders stress that the focus should be on diversification and resilience rather than geographic exclusion. The public consultation period gathered over 130 submissions, mainly from Germany, Spain, and Belgium, and the legislative proposal is expected to be presented by the end of the year.

Czech Republic Bans Chinese AI Firm DeepSeek from Public Sector

The Czech government has banned the use of AI tools developed by Chinese startup DeepSeek in public administration, citing cybersecurity risks. The decision follows a warning that the company may be required to share user data with Chinese authorities. Similar concerns have led countries like Italy and Australia to restrict access to DeepSeek's services earlier this year.

EU Finalizes Voluntary AI Code, Meta Refuses to Sign

The EU is moving forward with a voluntary Code of Practice for general-purpose AI systems, intended to provide legal clarity ahead of binding AI Act provisions taking effect on 2 August. While companies like OpenAI have expressed support, the draft has received mixed

reactions. Meta announced it will not sign the Code, arguing it introduces legal uncertainty and exceeds the AI Act's scope. The company warned that such overregulation could slow AI innovation and limit European companies' competitiveness.

European Commission Withdraws Proposals on AI Liability and Standard-Essential Patents

The European Commission has formally withdrawn its proposals for the AI Liability Directive and the Regulation on Standard-Essential Patents ("SEP"), citing a lack of sufficient support from EU lawmakers and member states. The AI Liability Directive, first proposed in 2022, aimed to provide a harmonized framework for compensating users harmed by AI systems, but failed to gain momentum. Similarly, the SEP regulation, which had already passed through Parliament, was pulled in hopes of reaching broader consensus. The Commission stated it will continue monitoring developments and may revisit both initiatives if conditions change.

GenTemizer is a Turkish law firm based in Istanbul, Türkiye. We advise various businesses in relation to their investments, M&A, competition law/antitrust, project financing and construction projects as well as on operational and dispute resolution matters in the context of the Turkish regulatory framework. We have also advised investors in relation to government sponsored privatisation projects.

We are listed in *Legal 500*, *IFLR1000* and *Chambers and Partners* as one of the leading law firms in Türkiye. Each of our partners have also been recognised as one of the leading lawyers in Türkiye. We understand and can meet the demanding requirements and innovative, responsive thinking required for an investment transaction in Türkiye.

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