

# **Benelux**

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## The Impact of Gen AI on the EU AI Act



## Overview

As 2026 approaches, businesses in the Benelux region face a dual challenge, embracing generative AI's potential while preparing for the stringent requirements of the EU AI Act compliance. It's a high-stakes environment where adaptability will determine success. Alarmingly, 73% of leaders in the region doubt their ability to implement generative AI strategies effectively. Compounding this, 60% fear that delays in adoption will severely impact their companies.

The EU AI Act compliance, set to come into effect on August 2, 2026, only heightens this pressure. Organizations that fail to comply face penalties of up to EUR€ 35 million or 7% of global turnover. Yet only 20% of companies have established AI governance frameworks mechanism to tackle these challenges effectively. Time is running out—acting now is imperative to stay competitive and compliant, or you risk being left in the dust of the AI revolution.

**"You can never cross the ocean until you have the courage to lose sight of the shore."** This Dutch proverb effectively encapsulates the critical juncture you face in the Benelux region. As you explore AI's transformative potential, you must simultaneously navigate a rapidly evolving regulatory landscape.



# Striking a balance between innovation and compliance

By 2025, organizations in the region plan to invest a median of EUR€ 18.5 million in generative AI, but with great investment comes great responsibility. As industry leaders like Satya Nadella and Jensen Huang have heralded the dawn of agentic AI—a force poised to redefine operations. However, many companies struggle to answer fundamental questions such as:

## 01

How many AI or generative AI projects are currently underway?

## 02

Are these projects aligned with the EU AI Act compliance?

## 03

Do AI governance frameworks adequately address compliance risks?

Adding to these concerns is the risk that employees may unknowingly conduct generative AI queries in violation of the new regulations. High-risk AI applications, such as those affecting hiring, healthcare, or legal decisions, will face stricter scrutiny. You need to avoid "AI FOMO," where hasty adoption without proper planning could lead to compliance headaches and reputational damage.

01

20% of companies in Benelux are prepared for the EU AI Act \*

02

85% of the workforce in Benelux are not trained in the EU AI Act \*



## The Complexities of Navigating Compliance

The EU AI Act compliance marks a significant milestone in artificial intelligence regulation. It establishes a comprehensive and technology-agnostic framework focused on promoting safety, innovation, and trust. As a business operating in the Benelux region, preparing for its implementation should be a priority. However, navigating the complexities of compliance won't be straightforward.

The act avoids prescribing specific rules for different AI techniques, except in the case of general-purpose AI systems (GPAI). This flexibility can make it challenging for you to determine whether your AI products fall within its regulatory scope.

The first step in your compliance journey is defining whether you're using AI. That sounds simple, but it's more complicated than it appears. The absence of a universally accepted definition of "intelligence" adds to the confusion. According to the Organization for Economic Co-operation and Development (OECD), AI systems are machine-based systems designed to make predictions or decisions based on human-defined objectives. The EU's definition aligns with this perspective but further distinguishes AI from traditional software by emphasizing two key attributes: autonomy and adaptiveness. As an organization, understanding this distinction will be essential for evaluating your AI systems and determining your compliance obligations.

The act adopts a risk-based approach, classifying AI systems into four risk levels: unacceptable, high, limited, and minimal. High-risk systems face stringent requirements to protect health, safety, and fundamental rights. You need to be particularly cautious here, as failing to comply can result in operational disruptions or reputational damage. Even more critically, certain applications considered unacceptable, such as manipulative techniques or social scoring, are outright banned in the EU. This risk-based categorization underscores the importance of adopting responsible AI practices to safeguard your business from potential penalties and ensure ethical development.

# A Comprehensive AI Compliance Framework

To help businesses like yours navigate these challenges, we introduced a comprehensive AI compliance framework. This framework allows you to conduct robust compliance assessments. It enables you to evaluate AI projects against the stringent requirements of the act and accurately identify and categorize high-risk applications.

With risk management solutions, the framework streamlines compliance processes, reducing administrative burdens and enhancing operational efficiency. Recognizing the critical importance of governance, the AI compliance navigator facilitates the establishment of clear AI responsible use policies. It also provides tailored training programs to enhance employee understanding of compliance obligations. By aligning with international definitions and standards, such as those proposed by the OECD, the framework ensures you can adapt to evolving regulations while upholding ethical standards. As companies increasingly deploy generative AI tools, the AI compliance navigator serves as an essential resource for mitigating compliance. Here's a breakdown of the key features that make the framework essential for your compliance strategy.

01



## Comprehensive Compliance Assessment

The framework includes a robust set of tools to evaluate your AI projects. It guides you in identifying high-risk applications and categorizing them appropriately, ensuring that you fully understand your compliance obligations and avoid potential risks.

## Governance and Training Programs

Knowledge is a critical enabler for compliance. The framework emphasizes the establishment of a strong governance structure supported by tailored training programs. You are encouraged to develop an AI Responsible Use Policy and equip employees with the necessary understanding of AI technologies and the associated compliance requirements.



02

03



## Risk Management

Effective risk management is central to maintaining compliance. The framework helps you detect, classify, and monitor AI systems, streamlining the process of mapping compliance requirements and tracking your obligations efficiently.

## Global Standard Alignment

The framework ensures that your compliance strategy isn't limited to the EU. By aligning with international definitions and standards, such as those proposed by the OECD, it enables your business to meet regulatory requirements in other jurisdictions influenced by European regulations.



04





## Moving Forward with Confidence

As your organization stands on the brink of a new era defined by artificial intelligence, the importance of compliance and ethical governance cannot be overstated. The AI compliance navigator by LTI Mindtree offers a vital pathway for you to not only meet the stringent requirements of the EU AI Act compliance but also to embrace responsible AI practices that foster trust and accountability.

By equipping companies with the tools and knowledge necessary to navigate this complex landscape, the framework positions them for sustainable growth and innovation in an increasingly regulated environment.

In a world where AI technologies are rapidly evolving, you must prioritize compliance as a cornerstone of your digital strategy. The framework empowers you to proactively address regulatory challenges while harnessing the transformative potential of AI. By fostering a culture of responsibility and ethical use, your company can ensure that advancements in AI not only drive competitive advantage but also align with societal values and contribute positively to the communities you serve. In doing so, you don't just meet legal requirements—you lead the way in developing AI technologies that contribute positively to society and your business's long-term growth.



## About the Authors



### Arvind Sundararajan

Arvind Sundararajan is a technology futurist and one of India's pioneering tech bloggers, having started his journey in 2003. With over 20 years of experience, he holds more than three patents and has collaborated with industry leaders to drive innovation. Arvind's current focus is on generative AI, where he continues to create transformative solutions. A two-time HackerEarth awardee and lablab.ai winner, he is also a contributor to the Arctic Cold Vault, demonstrating his commitment to advancing technology and shaping AI's future.

### Arindam Maitra

Arindam Maitra is a seasoned business leader with over 25 years of experience in technology consulting, specializing in the Retail, Consumer Goods, and Manufacturing sectors. As Vice President and Region Head for Benelux and Retail Consumer Goods at LTIMindtree, he spearheads growth, market development, and client engagement. Arindam plays a pivotal role in defining go-to-market strategies and building strategic partnerships that support organizations in their digital transformation journeys.



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