

Introduction

The American Chamber of Commerce Ireland (AmCham) is pleased to contribute to the Committee's public consultation on the pre-legislative scrutiny of the General Scheme of the Regulation of the Artificial Intelligence Bill 2026.

AmCham is the collective voice of US companies in Ireland and the leading international business organisation supporting the transatlantic business relationship. Our members are the Irish operations of all the major US companies in every sector present here, Irish companies with operations in the United States and organisations with close linkages to US-Ireland trade and investment.

In a recent AmCham survey, nine in ten responding organisations said that their corporate headquarters held a positive view of Ireland as an investment and growth location based on the experience of Irish operations in 2025. Further, of the responding organisations who are currently engaging in one or more research projects in Ireland, 74% said that at least one of these projects was taking place in relation to AI. While 56% of all respondents said that there had been a strengthening of Ireland's digital and AI competitiveness in the previous five years. It is vital that forthcoming legislation continues to encourage research, development and innovation in Ireland and strengthens the ability of companies to invest in Ireland, attract world-leading talent, and foster economic growth.

AI Regulation

As home to many leading technology companies, Ireland holds a key position as a regulatory hub within the EU. This is of critical importance, particularly in relation to AI advancement and the competitiveness of Ireland and the broader European Union.

With ongoing developments in AI policy across the EU and Ireland's forthcoming Presidency of the Council of the European Union, Ireland has an opportunity to position itself as a global leader on AI regulation and governance, supporting innovation and adoption of AI and enabling all of society to benefit from the benefits AI will provide.

As a pro-enterprise, pro-innovation country, Ireland should adopt a proactive position in shaping the debate at a European level. Along with the overall aim of the AI Act, namely, to promote public trust in AI, the focus of the EU should now be on ensuring proportionate implementation and delivering a truly risk-based approach that balances innovation and AI's benefits, while mitigating potential harms.

At present, Ireland has an opportunity to position itself as a champion of competitiveness and innovation both at home and across the EU. By supporting the key tenets of the Draghi Report, namely to simplify the implementation and oversight of the regulatory framework, Ireland can advance the competitiveness agenda, resulting in a more dynamic economy that fosters growth and investment. As part of this process, it is important that a review of existing and forthcoming regulatory frameworks takes place to identify and erase overlapping, contradictory, or ineffective regulations that increase the administrative burdens on businesses across the economy, and also hamper efforts relating to the adoption and development of AI within Ireland and the EU. Such reviews should be carried out without delay as they are of significant importance given the speed and agility of the rising global competition in AI.

Further efforts should be made to establish clear, unified guidelines for the business community, while also addressing the need for clarity regarding the hierarchy of Irish and EU regulations. This is of the utmost importance due to the dynamic nature of the AI sector, and it is critical to avoid over-regulation that would stifle growth and innovation in the sector. Government has selected a complex oversight model for the AI Act which is novel in nature and untested in practice. For some businesses, different AI uses will be supervised by different regulators and their ability to comply with regulation may depend on upstream model providers. Irish industry needs urgent clarification on basic questions as to how the designated regulators will work together to ensure consistent and coherent implementation of the new rules and what the regulatory costs of operating in Ireland will be.

In this context, industry-Government co-operation will be necessary in order to develop a regulatory framework that unlocks Ireland's economic potential in AI adoption and development. The commitment from the Department of Enterprise, Tourism and Employment to develop a new AI regulatory sandbox is a welcome step and one that should be meaningfully utilised prior to the implementation of new regulations. This will result in regulations that are practicable, efficient and avoid unnecessary administrative burdens.

Moreover, there is a need to provide more clarity on the nature of the sanctions provided for within this Bill and to clarify whether they go beyond sanctions contained in other elements of Irish law. Sanctions should be proportionate and take into consideration the tight timelines involved and complex nature of the area. The General Scheme references that further guidance is expected from the European Commission in regard to the classification and obligations of high-risk AI systems and the framework for administrative sanctions. Any future sanctions should be sufficiently considered, and time should be provided for a consultation period, prior to enactment. A fair and

proportionate approach should be adopted to levies, taking into consideration the breadth of existing levies already in place across industry.

Additionally, under Head 38 of the General Scheme of the Bill, competent authorities would be granted the power to access the source code of high-risk systems. This measure would present a significant risk to industry, therefore the Committee should ensure that the Bill does not go beyond the contents of the EU AI Act. The Committee should review these powers in the context of Ireland's ability to remain competitive and attract future investment.

Further, a copyright framework that fosters innovation and creativity is a vital enabler for an increasingly dynamic AI ecosystem. While less permissive than the US, Japan, and Singapore, the EU's current approach strikes a reasonable middle ground by allowing AI systems to learn from varied information sources whilst safeguarding creators' rights. Current provisions, particularly text and data mining exceptions, are essential to the EU's continued competitiveness in this field.

The National AI Office

The development of a National AI Office in 2026, as detailed in the Government's Action Plan on Competitiveness and Productivity, will provide an opportunity for Ireland to coordinate AI policy and development with a forward-looking, pro-enterprise approach. In the establishment of this office, it is important that the necessary authority and resourcing is given to achieve its stated goals and to fulfil its duties and that a clear communication framework between the National AI Office and other regulators is established in order to ensure that businesses can act with clarity and certainty. By defining exact processes for regulatory enforcement, the Committee can ensure that businesses can operate with clear knowledge of compliance requirements and which regulatory body will be involved with various aspects of AI regulation.

Similarly, it is crucial that AI policy is coordinated in a whole-of-Government manner, with central decision-making capacity. The National AI Office will play a particularly important role in bringing coherence and consistency to the decentralised model of regulation announced by Government so that the regulatory environment supports long-term decision making and investment by businesses developing and adopting AI.

Working in tandem, the National AI Office's activities will enhance the ability of the Government to create policy that is flexible, agile and which can be implemented in a timely manner. This is of paramount importance due to the nascent nature of this policy

field and the speed at which AI technology is advancing. Future investment will be won by jurisdictions in which certainty of timelines, supports, policy and regulation exist to support further innovation and growth. Near-term decisions made by Government in defining Ireland's AI policy priorities and regulatory frameworks will have lasting impacts on the development of AI in Ireland, and Ireland's role in the global AI sector.

Further, the Committee has the opportunity to provide greater clarity as to the development of guidance for businesses. At present, it is envisaged that the National AI Office will act as a single point of contact for businesses in the context of the AI Act, however, businesses would benefit from greater certainty on this matter, within the context of this Bill. Further, it is important that the remits of regulators are clearly defined in the Bill, to avoid overlapping, duplicative regulations or unduly complex compliance processes. The Exchequer should provide funding to regulators to carry out their duties, and not rely on an industry levy that weakens Ireland's competitiveness and attractiveness for investment.

Impacts on Businesses and Consumers

It is important to recognise that the AI opportunity is not only in the AI sector itself, but extends across every business and organisation in Ireland today, both within the public and private sectors. Accordingly, the economic potential of the ambitious and responsible adoption of AI across all sectors would be significantly larger than in the AI sector alone.

By fostering a policy and funding landscape that supports the development of AI R&D clusters and the deployment of AI solutions specific to the needs of Irish businesses and other organisations, significant benefits would be provided in terms of the development of Ireland's AI offering, leading to organic growth, business transformation and increased productivity across sectors in the economy, and making Ireland a premier destination for innovation and investment.

At its core, innovation will play a defining role in Ireland's success in the AI era. By developing an ecosystem that supports companies in the adoption and development of AI, Ireland will be able to remain a competitive and attractive location for investment and talent. Current drafting of the General Scheme of the Bill misses an opportunity to reflect the importance of Irish-based innovation in AI. The Committee has the possibility to reframe sections of the Bill and drive a new focus on forward-looking innovation.

Placing innovation and improved, responsible adoption of AI at the heart of AI related policy and regulation will allow for an enhancement of Ireland's position as global

destination for investment, while also balancing the fundamental rights and safeguards for the wider population. Achieving this will further ensure that the benefits of AI are felt across the entire economy and society, helping SMEs to grow at scale and increase productivity, providing greater public services for the population, and developing and maintaining more efficient critical infrastructure.