What the EU AI Act means for leaders – everything covered? No worries - ?

All covered? In short: the AI Act protects mainly through prohibitions and obligations for companies. But it gives individuals hardly any enforceable rights, and the most important workplace protections only take effect at the end of 2027. – That's why reservations are understandable and a potential obstacle.

Here’s what employees can count on

- **Prohibitions** (effective since February 2025): Emotion recognition in the workplace is prohibited, except for medical or safety reasons. Also prohibited are social scoring, manipulative AI, and biometric categorization based on sensitive characteristics such as religion, political views, or sexual orientation.
- **High-risk “employment”** (Annex III, No. 4): **This includes AI used for recruiting, promotions, termination, task assignment based on behavior or personality, as well as performance and behavior monitoring.** Employers, as “operators,” must ensure human oversight by competent individuals, use the system as intended, and maintain records. Before deployment, they must inform the works council and affected employees (Art. 26).
- **Right to an explanation** (Art. 86): Anyone significantly affected by a high-risk AI decision may request an explanation.
- **Transparency** (Art. 50): Anyone speaking with a chatbot must be informed of this fact. AI-generated content must be labeled as such. (More on the transparency requirement below)
- **Complaints Office**: In Germany, the Federal Network Agency also serves as the central complaints office; complaints regarding violations of the AI Regulation can be filed there.

What the AI Act Does Not Guarantee

- Not yet full protection: The AI Omnibus Act has postponed the high-risk obligations. For Annex III systems, including AI in the employment context, the effective date is now December 2, 2027, instead of August 2, 2026. Until

then, the **prohibitions and the requirement for AI literacy** will primarily apply in the workplace**.**
- **No job security:** The AI Act does not address layoffs caused by AI.
- No worker participation: **Worker participation is governed by the Works Constitution Act** (Section 87(1)(6), Section 90, Section 95, Section 80(3)). The AI Act expressly allows member states to provide greater protection for workers (Art. 2(11)).
- **Virtually** no **individual claims**: The AI Act does not grant individuals their own right to damages. The planned AI Liability Directive has been withdrawn. Claims therefore fall under the GDPR (e.g., Art. 22, automated individual decision-making), the General Equal Treatment Act (AGG), or general liability law.
- **Much of it is not high-risk at all**: This applies, for example, to Copilot or ChatGPT for text generation, analysis, or shift scheduling without behavioral assessment. Furthermore, providers may, under certain circumstances, invoke the exception in Art. 6(3), such as for purely preparatory tasks. **However, profiling of individuals always remains high-risk**.
- No guarantee of quality: Compliance is usually assessed by the provider itself. A CE mark therefore does not mean that the system operates fairly or without errors.

Practical Implications for Small and Medium-Sized Enterprises:

Trust is not built solely through the AI Act. A company policy on AI that specifically regulates the purpose, performance and behavioral controls, data analysis, and employee rights is more effective. The AI Act provides the minimum standard for this.

This is not legal advice or legal counsel, but rather researched information (Claude AI) provided for guidance.

Sources:

- [usd.de – AI Omnibus](https://www.usd.de/ki-omnibus-was-aendert-sich-am-eu-ai-act/)
- [Mondaq – AI Omnibus enters into force](https://www.mondaq.com/uk/new-technology/1825722/eu-digital-omnibus-on-ai-enters-into-

force)
- [Gleiss Lutz – AI-MIG](https://www.gleisslutz.com/de/know-how/gesetzentwurf-der-bundesregierung-zur-durchfuehrung-der-ki-vo-eu-20241689)

And what does the transparency requirement say?

In short: For employees, the transparency requirement under Article 50 offers little benefit. It primarily concerns chatbots and AI-generated content, not decisions affecting people. Effective transparency in the employment relationship is ensured by other regulations.

What Article 50 Actually Regulates (Effective August 2026)

- Anyone interacting with a **chatbot** must be made aware of it, unless it is obvious.
- **Deepfakes** must be labeled as such.
- AI-generated **text** must be disclosed only if it is published to inform the public and no human is editorially responsible for it.
- **Synthetic content** must be marked in a machine-readable format. For systems that were already on the market, this requirement does not take effect until December 2026.

Why this has little impact in the workplace

- Employees do not learn from Article 50 whether a tool evaluates **performance**, pre-screens job applications, or assigns shifts based on behavior.
- **Internal emails or evaluations** written using AI do not need to be labeled.
- The **“obvious”** exception is open to interpretation.
- Individuals have no independent **right to enforce compliance**. Their only recourse is to file a complaint with the Federal Network Agency and seek fines against the company.

Where Transparency for Employees Really Comes From

- **AI Act, Articles 26 and 86** (effective only as of December 2027): Before high-risk AI is deployed, the works council and employees must be infor-

med. Affected individuals must be told that
high-risk AI is involved in decisions affecting them, and they have the right to an explanation for significant decisions.
- **GDPR** (already in effect): Information and disclosure obligations under Articles 13–15. In the case of automated decisions, this includes meaningful information about the logic involved. The European Court of Justice tightened these requirements in 2025 (C-203/22): The procedure actually applied must be explained in an understandable manner; a blanket reference to trade secrets is not sufficient.
- **Works Constitution Act**: The works council must be informed in a timely manner (Section 80(2), Section 90). For systems capable of monitoring performance or behavior, the works council has a right of co-determination (Section 87(1)(6)). In practice, this is the most powerful lever.

Conclusion: The AI Act's transparency requirement ensures **honesty toward the public and customers**. It does not make the workplace transparent.
Anyone who wants genuine transparency for employees should rely on the GDPR and the right to co-determination today and conclude a works agreement. This agreement can specify exactly which tools analyze what data and who has access to it.

This is also intended as guidance (Claude AI), not legal advice.