Bill No. 59 of 2025

THE ARTIFICIAL INTELLIGENCE (ETHICS AND ACCOUNTABILITY) BILL, 2025

By

Smt. Bharti Pardhi, M.P.

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BILL

to establish an Ethics and Accountability Framework for the use of Artificial Intelligence (AI) technologies in decision-making, surveillance, and algorithmic systems to prevent misuse and ensure fairness, transparency, and accountability and for matters connected therewith or incidental thereto.

Be it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:–

Short title, extent and commencement.

1. (*1*) This Act may be called the Artificial Intelligence (Ethics and Accountability) Act, 2025.

(*2*) It extends to the whole of India.

(*3*) It shall come into force on such date, as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "Artificial Intelligence (AI)" means computer systems or applications capable of performing tasks that typically require human intelligence, including but not limited to decision-making, language processing and visual perception;

(*b*) "algorithmic bias" refers to the presence of systematic errors in AI systems that result in unfair outcomes;

(*c*) " Committee" refers to the Ethics Committee for AI Technologies constituted under section 3;

(*d*) "developer" means a person who design, develop, and implement AI models and systems;

(*e*) "prescribed" means prescribed by rules made under this Act; and

(*f*) "stakeholders" include developers, deployers, users of AI technologies, and affected individuals or communities.

Constitution of Ethics Committee for AI Technologies.

3. (*1*) The Central Government shall, by notification in the Gazette, constitute a Committee to be known as the Ethics Committee for Artificial Intelligence (AI) to exercise the powers conferred on, and to perform the functions assigned to it under this Act.

(*2*) The Committee shall consist of:—

(*a*) Chairperson having expertise in ethics and technology;

(*b*) such number of representatives from academia, industry, civil society and government; and

(*c*) such number of experts in law, data science and human rights, to be appointed by the Central Government in such manner as may be prescribed.

(*3*) The Central Government shall provide the Committee with such officers and other employees as may be required for the proper functioning of the Committee.

(*4*) The salaries and allowances payable to and other terms and conditions of service of the Chairperson, representatives, experts, officers and other employees appointed for the purpose of the Committee shall be such as may be prescribed.

Functions of the Committee.

4. The Committee shall,—

(*a*) develop and recommend ethical guidelines for AI technologies;

(*b*) monitor compliance with ethical standards in AI systems;

(*c*) review cases of misuse, bias or violations of the provisions of this Act;

(*d*) promote awareness and capacity-building among stakeholders;

(*e*) undertake such other functions as the Central Government may, from time to time, prescribe.

Restrictions on Surveillance and Decision-Making.

5. (*1*) The use of Artificial Intelligence (AI) in surveillance shall be limited to lawful purposes with prior approval of the Committee constituted under section 3.

(*2*) AI systems involved in critical decision-making including law enforcement, financial credit and employment shall,—

(*a*) not discriminate only on the basis of race, religion, gender, or any of them;

(*b*) be subjected to stringent ethical reviews by the Committee.

Responsibility of Developers.

6. Every developer shall,—

(*a*) ensure transparency in AI Systems by disclosing,—

(*i*) the intended purpose and limitations of the AI System;

(*ii*) data sources and methodologies used for training algorithms;

(*iii*) the reasons for any decisions made by AI systems that impact individuals;

(*b*) ensure prevention of Algorithmic Bias by,—

(*i*) conducting regular audits to identify and mitigate biases in AI systems;

(*ii*) ensuring diversity and inclusivity in training datasets;

(*iii*) ensuring that AI systems exhibiting significant bias are withdrawn until corrective measures are implemented; and

(*c*) maintain records of compliance with ethical standards under this Act.

Grievance Redressal Mechanism.

7. (*1*) Any affected individual or group may file complaints with the Committee regarding misuse or harm caused by AI technologies under this Act in such manner as may be prescribed.

(*2*) The Committee shall investigate complaints and recommend necessary actions, including penalties or remedial measures in such manner as may be prescribed.

Penalties for Non-Compliance.

8. Whoever violates the provisions of this Act shall be liable to,—

(*a*) fine which may extend upto rupees five crore depending on the severity of the violation; and

(*b*) suspension or revocation of licenses for deploying AI systems:

Provided that in case of repeat violations, the offender may face criminal liability as prescribed.

Central Government to provide funds.

9. The Central Government shall, after due appropriation made by the Parliament by law in this behalf, provide to the Committee by way of grant, such sums of money as the Central Government may think fit for being utilised for the purpose of this Act.

Annual Report.

10. (*1*) The Committee shall, as soon as may be, after the end of each financial year, submit to the Central Government an annual report giving a full account of the activities, findings, and recommendations undertaken during the previous financial year, in such form and on such date, as may be prescribed.

(*2*) A copy of the report received under sub-section (*1*) shall be laid before the Parliament within six months after it is received by the Central Government.

Application of other laws not barred.

11. The provisions of this Act shall be in addition to and not in derogation of any other law for the time being in force.

Power to make rules.

12. (*1*) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(*2*) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive

sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both the Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

STATEMENT OF OBJECTS AND REASONS

The rapid proliferation of Artificial Intelligence (AI) technologies presents immense opportunities for societal advancement but also poses significant ethical and regulatory challenges. These include risks of algorithmic bias, misuse of surveillance capabilities, lack of transparency and accountability in decision-making systems.

The proposed Bill aims to address these challenges by:

(a) establishing a comprehensive framework for ethical AI deployment;

(b) ensuring transparency, fairness, and accountability in AI systems;

(c) protecting individuals and communities from harm caused by unethical or biased AI applications; and

(d) promoting innovation and trust in AI technologies through clear regulatory guidelines.

The Bill emphasizes the importance of a balanced approach to foster AI's positive impacts while safeguarding against its potential misuse. By empowering an independent Ethics Committee and prescribing robust penalties for violations, this legislation seeks to ensure AI technologies serve the greater good and uphold democratic values.

The Bill seeks to achieve the above objectives.

NEW DELHI;
January 20, 2025.

BHARTI PARDHI

FINANCIAL MEMORANDUM

Clause 3 of the Bill provides for constitution of an Ethics Committee for Artificial Intelligence (AI) to exercise the powers conferred on, and to perform the functions assigned to it under this Act. It also provides for appointment of Chairperson, representatives, experts, officers and staff to the Committee. Clause 9 provides for the payment of grants by the Central Government to the Committee. The Bill, therefore, if enacted, will involve expenditure from the Consolidated Fund of India. It is estimated that a recurring expenditure of about rupees Five hundred crores per annum will be involved from the Consolidated Fund of India.

A non-recurring expenditure of about rupees One hundred crores is also likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 12 of the Bill empowers the Central Government to make rules for carrying out the purposes of this Bill. As the rules will relate to matters of detail only, the delegation of legislative power is of a normal character.

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