

DRAFT LAW ON THE REGULATION OF ARTIFICIAL INTELLIGENCE: WHAT TO EXPECT?

25 March 2026

On March 18, 2026, the Russian Ministry of Digital Development, Communications, and Mass Media released a draft law on the regulation of artificial intelligence (hereinafter “AI”) for public discussion:¹ .

Public discussions will continue until April 15, 2026, after which the document is scheduled to be submitted to the State Duma of the Russian Federation for consideration.

White Square experts have prepared a detailed review of the draft law, analyzing its key provisions and compliance with international standards.

The bill establishes a systematic legal framework for the application and development of AI in Russia: along with basic regulatory principles, it introduces new provisions that were previously absent from the legislation.

This material is based on information from public sources and is for reference purposes only. It does not constitute advice or a legal opinion. If you have any questions regarding this alert, please contact us at: info@whitesquarepartners.com.

¹ Draft Law “On the Fundamentals of State Regulation of the Application of Artificial Intelligence Technologies in the Russian Federation” (Draft ID: 166424, available via [the link](#)).

Key provisions:

1. Sovereign and National AI

The draft law distinguishes between sovereign and national AI – categories of AI that meet the following requirements:

- 1) all stages of development and training are carried out within the territory of the Russian Federation;
- 2) all stages of development, training, and operation are carried out by citizens of the Russian Federation or Russian legal entities;
- 3) training is conducted using datasets created within the territory of the Russian Federation by Russian citizens or Russian legal entities.

The Government of the Russian Federation has the right to establish additional requirements for sovereign and national models.

2. Trusted AI

Only trusted AI may be used in state information systems and at significant critical information infrastructure facilities of the Russian Federation.

Trusted models are AI models included in the state register after verification of compliance with security and quality requirements established by authorized bodies.

3. Cross-Border AI

The bill also establishes the category of cross-border AI – technologies whose creation, use, transfer, storage, and destruction involve entities or territories of two or more states.

Their operation may be prohibited or restricted in cases established by Russian legislation.

4. Citizens' Rights When Using AI Technologies

The bill establishes a number of provisions aimed at protecting the interests and rights of individuals when using AI technologies:

- Informing users about the use of AI.
- The right to be notified of an autonomous decision.

- The right to opt out of automated services.
- Challenging decisions made with the involvement of AI.
- Compensation for harm caused by AI.

WS Team Comment: In our opinion, the notification-based approach to informing individuals about the use of AI does not fully align with the principle of risk-based regulation. In international practice (for example, in the European Union's AI Act), a consent-based approach is often established, under which automated decisions regarding an individual may only be made with their consent.

5. Liability of Legal Entities

The draft law identifies four groups of entities that bear obligations and liability when using AI:

- AI model developers
- Owners of AI services
- AI system operators
- Users of AI services

Provisions regarding liability are established taking into account the distinction between these categories of entities:

- **Fault-based liability.** All parties are liable for the results of AI operations that violate Russian law, in proportion to their degree of fault.
- **Recourse claims.** An operator who has compensated for damage may bring a recourse claim against the developer if the damage arose solely due to defects in the system that existed at the time of transfer and were not detected with reasonable diligence.
- **Administrative and criminal liability.** Persons guilty of violating Russian Federation legislation in the field of AI shall be liable in accordance with the procedure established by law.

Features of the responsibility of legal relationship subjects:

- **Developers, operators, and owners** are liable for the results of AI if they knew or should have known about the possibility of a violation, except in cases where all measures to prevent violations have been taken and legal requirements have been complied with.
- **Users:** are liable for the use of AI outputs that violate the law if this occurred as a result of their intentional actions or a violation of the terms of service, but are exempt from liability in cases of force majeure, the victim's intent, defects in the AI system that could not have been detected, or unlawful actions by third parties.

The mechanism of liability arising only if a person knew or should have known about possible risks raises questions. Under the terms of this concept, a situation is possible in which no participant may actually bear liability.

6. Labeling and Disclosure

The bill aims to increase the transparency and reliability of digital content and reduce the risks associated with the dissemination of synthetic material that could potentially mislead people or be used for malicious purposes.

In this regard, it contains the following provisions:

- Owners of AI services are required to post a warning stating that the content was created using AI.
- Owners of websites, pages, or information systems with an audience of more than 100,000 users are required to verify the presence of such warnings and, if necessary, post them or remove the content.
- The user and the service may agree to waive the mandatory warning, provided that the waiver is voluntary, informed, and unambiguous.
- Those who exclude the warning from content are subject to administrative liability.

WS Team Comment: Many content hosting platforms have long included terms in their User Agreements regarding the requirement to label AI-generated content and the liability for failing to do so.

7. Free Use of Protected Works in AI Training

The bill stipulates that extracting information from works protected by copyright or patent rights, including processing, comparing, classifying, and analyzing data for AI training, is not considered a violation of the rights of their rights holders, provided that the developer uses a lawful copy of the work or the work is available for public knowledge and analysis.

WS Team Comment: Globally, approaches to this issue are more complex and nuanced. For example, the United States and South Korea apply the concept of fair use, which establishes specific criteria for determining when the use of materials for AI training infringes copyright and when it does not.

8. Legal Protection of Intellectual Property Created by AI

The bill stipulates that the results of intellectual activity created using AI are protected by the Civil Code of the Russian Federation, and only original creations are recognized as objects, regardless of whether they were created by a human or a system.

WS Team Comment: International practice is based on the premise that an object created as a result of AI actions is not protected by copyright law. Accordingly, in cases where works are created using AI, only those parts of the work that were created by the author independently, without the generation of any elements, are subject to protection.

9. Risk Monitoring

The bill provides that authorized federal executive agencies shall monitor, analyze, and forecast risks and threats associated with the use of AI.

If significant risks are identified, the authorities have the right to conduct unscheduled

inspections of operators and issue orders to remedy violations.

Thus, the bill establishes a structured legal framework for regulating AI, but at the same time, concerns have been raised regarding the implementation of these provisions and their alignment with international practices.

The law is scheduled to take effect on September 1, 2027, though the draft is highly likely to be amended based on feedback from experts and market participants.

If you have additional questions regarding the use of AI before and after the bill takes effect, as well as other questions related to new technologies, the White Square team is ready to assist you both in an advisory capacity and in the implementation of specific tasks.



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