FROM LEGALITY TO RESPONSIBILITY: CHARTING THE COURSE FOR AI REGULATION IN MALAYSIA

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ABSTRACT

As Artificial Intelligence (AI) technologies continue to evolve rapidly, Malaysia faces the imperative of establishing a robust regulatory framework to address legal complexities and ensure responsible AI deployment. This paper examines the current landscape of AI legality in Malaysia, analysing existing laws and regulations governing AI applications across various sectors. It identifies key legal challenges, including issues related to data privacy, algorithmic transparency, liability, and ethical considerations. Emphasising the transition from mere legality to ethical responsibility, the paper advocates for a proactive approach in charting the course for AI regulation. The doctrinal research methodology is used in this paper. This paper will first discuss the use of AI in different sectors in Malaysia and then will highlight the various problems associated with it. This study also discusses newly adopted AI regulations by the EU and China, and also the progress of the USA and the UK on AI regulation. It proposes strategies for enacting a forward- looking regulatory framework that integrates ethical guidelines, promotes transparency, fosters collaboration between stakeholders, and establishes mechanisms for accountability. By navigating this trajectory towards responsible AI regulation, Malaysia can unlock the full potential of AI while upholding ethical standards, protecting individual rights, and mitigating risks associated with AI technologies.

Keywords: Artificial Intelligence, Regulation, Framework, Necessity, Malaysia.

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KEABSAHAN KECERDASAN BUATAN GENERATIF (AI) DI MALAYSIA DAN KEPERLUAN KEPADA PENGGUBALAN RANGKA PERUNDAGAN YANG BERWAWASAN

ABSTRAK

Seiring dengan teknologi Kecerdasan Buatan (AI) yang terus berkembang pesat, Malaysia menghadapi keperluan untuk mewujudkan kerangka undang-undang yang kukuh bagi menangani kompleksiti undang-undang dan memastikan pelaksanaan AI yang bertanggungjawab. Makalah ini mengkaji landskap keabsahan AI semasa yang ada di Malaysia, menganalisa undang-undang dan peraturan- peraturan sedia ada yang mengawal selia aplikasi AI dalam pelbagai sektor. Makalah ini juga mengenalpasti cabaran utama undang-undang termasuk isu-isu yang berkaitan dengan privasi data, ketelusan algoritma, liabiliti dan pertimbagan etika. Menekankan peralihan dari sekadar keabsahan kepada tanggungjawab etika, makalah ini mengetengahkan pendekatan proaktif dalam menetapkan haluan bagi perundangan AI. Metodologi penyelidikan doktrin telah digunakan dalam makalah ini. Makalah ini akan membincangkan terlebih dahulu penggunaan AI dalam pelbagai sektor di Malaysia dan kemudian akan mengetengahkan pelbagai masalah yang berkaitan dengan AI. Kajian ini juga membincangkan peraturan AI yang baru diterima pakai oleh EU dan China, dan juga kemajuan Amerika Syarikat dan UK mengenai peraturan AI. Ia mencadangkan strategi untuk menggubal rangka kerja peraturan yang berpandangan ke hadapan berintegrasikan garis panduan etika, menggalakkan ketelusan, memupuk kerjasama antara pihak berkepentingan, dan mewujudkan mekanisme untuk akauntabiliti. Dengan cara menghalakan landasan ini ke arah pengawalan AI yang bertanggungjawab, Malaysia dapat membuka sepenuhnya potensi AI dan pada masa yang sama menyokong piawaian etika, melindungi hak individu, dan mengurangkan risiko berkait dengan teknologi AI.

Kata Kunci: Kecerdasan Buatan Generatif, Pengawalseliaan, Kerangka, Keperluan, Malaysia.

INTRODUCTION

The field of artificial intelligence (AI) has seen tremendous growth in the last several years, and its uses are expanding. The term “artificial intelligence" (AI) describes computer programmes that can carry out sophisticated operations that were previously limited to human performance, like problem-solving, reasoning, and decision-making. AI improves the efficiency, accuracy, and speed of human labour. AI reacts to commands such as "Create a strategic marketing plan for our new product launch," for example.[1] The focus of early AI research was on developing rule-based systems—those that performed tasks by a predetermined set of rules. Beginning in the 1980s, the advancement of machine learning (ML) techniques made it possible for AI systems to learn from data and improve over time. This new technology can completely change the way that businesses function since it demonstrates how technology can both support and spur innovation in the business world.

The development of AI has advanced significantly in recent years due to the introduction of deep learning (DL) methods such as neural networks. AI is a class of algorithms that can produce new results based on the data that they have been trained on. A few of the existing applications for AI include natural language processing, audio, code, photos, text, simulations, movies, and autonomous systems.[2] This special feature enables generative AI to develop a wide range of content. In the past few years, AI has advanced significantly, with most of that advancement going toward creating generative models that are more realistic. Several disciplines, including economics, management, and business, have recently expressed a great deal of interest in the idea of AI.

[1]Yuan-Ho Huang, “Exploring the Implementation of Artificial Intelligence Applications among Academic Libraries in Taiwan,” *Library Hi Tech*, (July 5, 2022), https://doi.org/10.1108/lht-03-2022-0159.

[2]David Restrepo Amariles, and Pablo Marcello Baquero, “Promises and Limits of Law for a Human-Centric Artificial Intelligence,” *Computer Law & Security Review* 48 (April 2023): 105795, https://doi.org/10.1016/j.clsr.2023.105795.

Financial institutions can automate data administration tasks that are labour-intensive with the help of AI. They can also implement accurate and fast credit scoring and use this information to identify potentially fraudulent activities. DALL-E2 and ChatGPT are two of the most well-known and often utilised generative AI systems. In the chatbot sector, AI has been receiving a lot of attention; one notable example is ChatGPT. Furthermore, AI offers companies several possible advantages, such as increased efficiency, lower costs, increased production, and the capacity to stimulate creativity. Many well-known businessmen, even tycoons like Elon Musk and Bill Gates, stress how AI would change the way we work and go about our daily lives. According to Van Dis *et al*. (2023), AI would also affect researchers' work.[3]

Although Thorp (2023) concedes that ChatGPT has certain factual errors, he contends that the technology would revolutionise teaching.[4] Because of worries about data privacy, the authorities in the Italian region of Marche temporarily outlawed AI/ChatGPT. OpenAI did, however, respond to and elucidate concerns expressed by data protection authorities. Although AI can completely change the way we analyse data and provide reports, there are also a lot of concerns and uncertainties over how it can affect other facets of society, such as security, privacy, ethics, and job displacement. The doctrinal research methodology is used in this paper which used journal articles, textbooks, academic databases, and online resources. Using this method, this study examined whether Malaysia needs a regulatory framework to manage the possible drawbacks of AI.[5]

[3]Eva A. M. van Dis *et al* ("and others"), "ChatGPT: Five Priorities for Research," *Nature* 614, no. 7947 (February 3, 2023): 224–26, https://doi.org/10.1038/d41586-023-00288-7.

[4]Holden Thorp, "ChatGPT Is Fun, but Not an Author," *Science* 379, no. 6630 (January 27, 2023): 313–313, https://doi.org/10.1126/science.adg7879.

[5]Armenia Irina Georgescu Androniceanu, and Oana Matilda Sabie, "The Impact of Digitalization on Public Administration, Economic Development, and Well-Being in the EU Countries," *Central European Public Administration Review* 20, no. 2 (November 28, 2022): 9–31, https://doi.org/10.17573/cepar.2022.2.01.

MALAYSIA'S USE OF AI AND MACHINE LEARNING

(a) Oil and Gas:

With the help of its worldwide network of partners, PETRONAS is constructing an AI Centre of Excellence to speed up the creation of AI solutions that facilitate the delivery of energy, the optimisation of operations, and sustainability.[6] Further, PETRONAS is utilising AI for platform data management, shifting focus from condition-based monitoring and conventional analytics to predictive analytics-driven maintenance.

(b) Medical Care:

The healthcare industry is seeing the application of AI in various domains. As of 2018, Malaysia had the world's first AI stethoscope system, the Stethee Pro. Thanks to a well-organised collaboration between M3DICINE, the Telemedicine Development Group, the Malaysian Ministry of Health, MIDA, and Collaborative Research in Engineering, Science, and Technology, this innovation is a reality; moreover, AI is a technological platform that automatically tracks geolocation and gathers environmental data like temperature, humidity, pollen count, and pollutant index for healthcare professionals to assess. If anyone have a computer or mobile device, they can use the Stethee Pro's Bluetooth feature to record and edit audio.[7] Then, with the help of AI, this programmme can generate a unique biometric identity for each patient and detect any issues with their lungs or heart.

(c) *Manufacturing:*

Silicon Valley, California-based AI startup Seeloz Inc. developed the Supply Chain Automation Suite, the first autonomous needs planning engine in the world. It reinvents supply chain planning through the use

[6]Gil Appel, "Generative AI Has an Intellectual Property Problem," *Harvard Business Review*, (April 11, 2023). https://hbr.org/2023/04/generative-ai-has-an-intellectual-property-problem.

[7]Bruno Campello de Souza, Agostinho Serrano de Andrade Neto, and Antonio Roazzi, "Are the New AIs Smart Enough to Steal Your Job? IQ Scores for ChatGPT, Microsoft Bing, Google Bard and Quora Poe," *SSRN Electronic Journal*, (2023), https://doi.org/10.2139/ssrn.4412505.

of AI.[8]

(d) Financial Services:

The banking and financial industry in Malaysia utilise AI for a variety of purposes, such as risk assessment and the creation of personalised financial advice. In 2020, the RHB Banking Group introduced the RHB Financing (SME) Mobile App. Using AI as its engine, it boasted to be Malaysia's first "customer self-initiated" SME financing smartphone app. In 2020, United Overseas Bank (Malaysia) Bhd released Mighty Insights, a digital banking service powered by AI. It was arguably the first of its kind in Malaysia. Mighty Insights uses advanced data analytics, machine learning, and pattern recognition algorithms to figure out what advice is ideal for each customer depending on their age, financial situation, and lifestyle choices. This software has features like face recognition and can process applications in real-time thanks to AI, ML, and big data skills.[9]

(e) Logistics:

With its real-time dispatch services and highly accurate address processing, the smart logistics solution takes advantage of the latest innovations in machine learning and reinforcement learning to boost the efficiency and effectiveness of field service dispatch. The goal of training the algorithm was to get the best possible outcomes while staying within the parameters set by the company. AI is also utilised in shipping monitoring and customer service with AI-powered chatbots and virtual assistants.[10] As an example, in 2023, Alibaba Group announced Alibaba Cloud, their digital technology and intelligence

[8]Changgab Seo, "Opportunities and threats of generative AI technology," *The Journal of Internet Electronic Commerce Research* 23, no. 2 (2023): 59-73.

[9]Kong, Lingpeng, Zaochen Liu, Ke Zhang, Deyu Kong, and Wenwen Yan, "Discussion on AI Influence from the Perspective of Chat GPT," *International Conference on Man-Machine-Environment System Engineering*, (Singapore: Springer Nature Singapore, 2023), 684-689.

[10]Eamon Costello, "ChatGPT and the Educational AI Chatter: Full of Bullshit or Trying to Tell Us Something?" *Postdigital Science and Education*, (March 17, 2023), https://doi.org/10.1007/s42438-023-00398-5.

hub. EasyDispatch, an AI-driven logistics solution, is currently available to customers in Malaysia.

(f) Telecommunications:

Telekom Malaysia Berhad (TMB) developed Project PATROL to provide timely and precise warning alerts to help telecom operators detect possible dangers to fiber infrastructure and proactively avoid damage to fiber optic or copper equipment. Using video data, AI, and machine learning algorithms, the telecoms company TMB has developed a proof-concept system called PATROL to study the feasibility of using dashcams in vehicles to detect construction automatically and generate proactive notifications.

(g) Initiatives for Cross-Industry Cooperatives:

A multi-conglomerate called Sunway Berhad, along with two of Malaysia's leading telecom companies, Huawei Malaysia and Celcom Axiata Berhad, signed a Memorandum of Understanding in 2020 to explore the potential of a tripartite collaboration to develop smart township solutions with 5G connectivity, AI, and the Internet of Things. Its planned projects include e-learning capabilities, telemedicine consultations, and the enhancement of the township's safety and security features through facial recognition.

(c) Agriculture:

The goal of the Digital AGTech/eLadang initiative, spearheaded by the Malaysian Digital Economy Corporation (MDEC) and supported by ecosystem partners, is to enhance crop yields and quality, boost income and revenue, optimise plantations, decrease operational costs and manpower, and accelerate digital adoption in agriculture.[11] This will be achieved through the integration of technologies from the

[11]Qiong Wang, and Guoqing Zhao, "Exploring the Influence of Technostress Creators on In-service Teachers' Attitudes toward ICT and ICT Adoption Intentions," *British Journal of Educational Technology* 54, no. 6 (March 15, 2023): 1771–89, https://doi.org/10.1111/bjet.13315.

Fourth Industrial Revolution (IoT), big data analytics, and AI. The long-term objective of this programme is to foster a data-driven, data-empowered workforce to bolster the country's digital economy.

From the above discussion, it could be said that companies and organisations in Malaysia should start preparing for the AI Act's effects right now. This is especially true if AI systems will be integrated into crucial business processes or if introducing AI systems will require a substantial financial outlay. However, in contrast, if the AI system is subsequently determined to be classified as a high-risk or even illegal AI system for any reason, its usage may be limited or forbidden entirely as of the AI Act's implementation date. Furthermore, it can become more expensive to comply with the AI Act's standards. Businesses should think about the legal ramifications of using AI systems even in the absence of the AI Act.

POSSIBLE DANGERS AND ISSUES RELATED TO AI

Like every potent technology, AI has advantages and disadvantages. AI has the potential to improve research and solve important issues. But as AI has been used more often, several hazards and unexpected effects have been noted. Nevertheless, there are concerns about security, privacy, abuse, misuse, and the creation of harmful content when it comes to AI. Even though AI has many advantages, in the absence of regulation in the AI industry, every serious risk, disadvantage, and debate needs to be carefully considered.

Furthermore, there are several issues and concerns around the creation and application of AI technologies (such as ChatGPT), especially the lack of sufficient regulation. There is currently no thorough regulation of the AI industry in Malaysia, which has consequences for several issues, including potential misuse, economic inequality, prejudices, and ethical problems.[12] This section will examine the issues and risks related to the AI market's lack of regulation and make the case for the urgent necessity of regulating AI technologies:

[12]Serena Oduro, Emanuel Moss, and Jacob Metcalf, "Obligations to Assess: Recent Trends in AI Accountability Regulations," *Patterns* 3, no. 11 (November 2022): 100608, https://doi.org/10.1016/j.patter.2022.100608.

(a) Safeguarding Data Security and Privacy:

If sufficient security measures are not taken, AI technologies could be vulnerable to data breaches, which could lead to sensitive user information being accessed or disclosed without authorisation. This happens when people inadvertently paste sensitive material into AI programmes for grammar checks or accidentally enter confidential data into the chatbot of these applications without properly redacting critical information. After three consecutive incidents of employees inadvertently disclosing private information, including source code, to the generative AI platform, Samsung was forced to prohibit ChatGPT in May 2023. By streamlining this procedure, chip companies might potentially save a lot of time and money when testing and confirming CPUs.[13]

An employee in one of those circumstances reached out to ChatGPT and asked for help optimising test sequences for finding chip problems, which was considered confidential. There was also the case of an employee using ChatGPT to create a presentation out of meeting notes; obviously, Samsung would have preferred that no outside parties had access to that presentation. When asked about security concerns when deploying generative AI services, 65% of respondents to a survey performed in 2023 across the whole Samsung organisation expressed concern. Following the incidents, Samsung Electronics issued a warning to its employees about the potential risks of disclosing private information. The company stated that since the data is now kept on OpenAI servers, it cannot be recovered. Any data leak may have devastating consequences for a company in the fiercely competitive semiconductor industry.[14] Samsung is not the only business limiting its customers' access to the technology. It was claimed last year that ChatGPT usage was banned for employees of the American investment

[13]AlZu'bi, Shadi, Ala Mughaid, Fatima Quiam, and Samar Hendawi. "Exploring the capabilities and limitations of chatgpt and alternative big language models," *Artificial Intelligence and Applications*, Vol. 2, no. 1, (2024): 28-37, https://doi.org/10.47852/bonviewAIA3202820.

[14]Dipankar Das, "Understanding the Choice of Human Resource and the Artificial Intelligence: 'Strategic Behavior' and the Existence of Industry Equilibrium," *Journal of Economic Studies* 50, no. 2 (March 7, 2022): 234–67, https://doi.org/10.1108/jes-06-2021-0305.

bank JPMorgan. Additionally, it is said that in 2023, Amazon issued a warning to staff members not to post private data, including code, to ChatGPT.

(b) Accountability and Transparency in AI:

Understanding AI's decision-making processes, the motivations behind their output, and the data they use is known as AI transparency. It also implies that the functioning, decision-making, information handling, and processing activities of an AI system are visible to all and may be observed by anyone. Thus, enabling people to comprehend and have faith in the operation of these systems through AI transparency is akin to offering a window into the inner workings of AI. Accountability for AI encompasses both individuals and groups that create AI systems, such as OpenAI. They are in charge of making sure the AI is developed and trained ethically, free of biases from the start, and equipped with safeguards against abuse or mistakes. This transparency promotes responsibility, fosters faith in AI, and guarantees its safe application.

New methods of tracking decisions made by both human and machine components will be necessary for AI accountability. Even with AI systems, executives cannot delegate their responsibilities despite the inherent uncertainties in the field. There have been several cases where unintentional bias in AI systems has led to problems with fairness. The algorithm and the data may be the sources of these undesirable biases. Various methods have been created to reduce biases and produce more equitable algorithms. Users and regulators alike, though, need more information about the data used. This calls for regulations that are both comprehensive and clear. Methods are needed for handling data, its history, and its changes, in addition to analysing algorithms and their results. In the absence of laws and guidelines about AI transparency, we face the danger of designing AI systems that inadvertently reinforce negative biases, foster user mistrust, or violate ethical and privacy standards.

(c) Intellectual Property and AI:

Computer programmes are used in the development of products or processes, as is frequently the case with AI. This has led to concerns about the creation and ownership of these products regarding intellectual property regulations, such as copyrights and patents. AI, which is emerging as a disruptive force in a variety of industries, is drastically transforming global economies and business operations. As a progressive country, Malaysia has also started utilising AI technologies to boost innovation and production. In this sense, AI refers to the development of computer systems that are capable of carrying out tasks that humans typically perform, such as learning, problem-solving, and decision-making. In the field of intellectual property, a wide array of legal protections, such as copyrights and patents, are in place to preserve the different kinds of intellectual works that result from human creativity. Therefore, as AI continues to be deeply ingrained in a variety of industries, it raises important issues related to intellectual property rights.

The most significant issue surrounding AI is the question of who owns the intellectual property that it creates. Whether or not AI can be considered an inventor is the main issue with intellectual property law. Everyone knows that when you file for a patent, you basically become the proprietor of that innovation.[15] You get to use it exclusively, and you can sue anyone who uses it without your permission. Either the applicant/owner and the inventor might be one and the same, or the inventor could transfer their rights to someone else. Everyone agrees that AI inventions need a human applicant or owner but whether the innovator must be human is still up for debate.[16]

[15]Mohammadreza Farrokhnia *et al* ("and others"), "A SWOT Analysis of ChatGPT: Implications for Educational Practice and Research," *Innovations in Education and Teaching International*, (March 27, 2023): 1–15, https://doi.org/10.1080/14703297.2023.2195846.

[16]Wang and Zhao, "Exploring the Influence," 1772.

(i) Copyright:

The artist is typically considered the rightful owner of a work under conventional copyright. However, AI makes it harder to tell who wrote what. Since AI entities can generate content independently, the question arises as to who should be acknowledged as the system's author: the human programmer who built it, the person providing it with instructions or input, or could AI creatures themselves claim copyright? Beyond casting doubt on the conventional wisdom about who wrote what, this question has far-reaching consequences for the development of IP law. The extent to which the Copyright Act 1987 applies to works created by AI is also not entirely apparent. The requirement for a human creator in the Malaysian Copyright Act makes it highly improbable that copyright will apply to content produced by AI.[17]

However, copyright protection may be due to the AI-generated product. The eligibility for copyright protection is thus dependent on whether the finished goods fulfill the criteria outlined in Section 7 of the Copyright Act 1987, which includes establishing if sufficient effort has been made to make the work original. The wording of the Act, which appears to primarily protect the rights of individuals and legal entities, is a crucial point in the discussion of whether AI-generated works are subject to the Copyright Act 1987. For example: Section 10 of the Copyright Act states that any work that is qualified for copyright and whose author (or, in the case of a work with joint authorship, any of the authors) is a qualified person at the time the work is made is guaranteed copyright.

The Copyright Act 1987 defines a "qualified person" as:

- about an individual, a person who is a citizen or a permanent resident of Malaysia; and
- about a body corporate, a body corporate created in Malaysia and endowed by Malaysian law with legal personality.

[17]Gemma Conroy, "How ChatGPT and Other AI Tools Could Disrupt Scientific Publishing," *Nature* 622, no. 7982 (October 10, 2023): 234–36, https://doi.org/10.1038/d41586-023-03144-w.

Even though it has not been established in Malaysian courts yet, the current legal framework suggests that works created by AI might not be qualified for copyright protection in Malaysia. This is because AI does not entirely satisfy the legal definition of a "qualified person"; as a result, any work being created by AI could be deemed computer-generated. Another thing to think about is whether the user's altered AI-generated output could be protected by copyright if they turned it into their original work that fulfilled the criteria in Section 7 of the Copyright Act 1987, which states that the work must (a) be substantially different from other works and (b) be reduced to tangible form. Fascinating questions regarding the interaction between AI and human creativity and how copyright law might adapt to these new dynamics arise from this scenario.[18]

(ii) Patent:

Another important topic is patent rights, which are crucial to the preservation of inventions and scientific advancements. However, as AI advances, a challenging but crucial question arises: should AI inventions be patentable, and if so, who should be credited as the actual inventor? The English Court of Appeal heard the case of *Thaler v. Comptroller General of Patents, Trade Marks, and Designs* [2021].[19] A "natural person" is required for invention, not a machine, according to the High Court's decision, which was sustained in this case. The case involved DABUS, a Dr. Stephen Thaler-created AI system that could independently produce inventions. The United Kingdom Intellectual Property Office ("UKIPO") denied Thaler's assertions of ownership when he filed patent applications in DABUS's name.

To contest the decision of the UKIPO, Dr. Thaler went to the High Court. Nevertheless, the High Court and the Court of Appeal upheld the UKIPO's decision, finding that DABUS could not be

[18]Laura Illia, Elanor Colleoni, and Stelios Zyglidopoulos, "Ethical Implications of Text Generation in the Age of Artificial Intelligence," *Business Ethics, the Environment & Responsibility* 32, no. 1 (September 7, 2022): 201–10, https://doi.org/10.1111/beer.12479.

[19]Thaler v. Comptroller General of Patents, Trade Marks, and Designs [2021] EWCA Civ 1374 in September 2021. Wang and Zhao, "Exploring the Influence," 1772.

considered an inventor or given the power to transfer patent rights to Thaler since he was not a "natural person." This is consistent with the approach of other major patent nations, including the US, Canada, Australia, and Germany, with respect to similar applications filed by Dr. Thaler. After that, Dr. Thaler appealed to the Supreme Court, making him the first person in British history to have his case heard. In his plea, Dr. Thaler cited, among other things:

> (1) An applicant is not obligated to identify a natural person as an inventor under Section 13(2) of the UK Patents Act 1977 ("PA 1977").
>
> (2) He has the right to receive patents for inventions made by DABUS; the owner of an AI machine has the right to receive patents for inventions made by the machine, as well as any patentable inventions.

The Supreme Court's upcoming decision will have a significant impact on the UK's ability to protect AI-powered innovations. Although the Thaler case does not serve as a precedent in Malaysia, it is likely to carry some weight in this jurisdiction.

The definition of "invention" is as provided in Section 12 of the Malaysian Patent Act 1983 ("PA 1983"): "an idea of an inventor which permits in practice the solution to a specific problem in the field of technology." There is no legal definition of the term "inventor" in PA 1983. The right of the inventor to file a patent application is outlined in Section 18 of PA 1983 and must be considered. A declaration defending the applicant's entitlement to apply the invention is required in circumstances where the applicant is not the inventor, as per Regulation 10 of the Patents Regulations 1986. In light of this, even if an AI is acknowledged as an inventor, the patent officer or court will still require proof that the applicant legitimately owns the innovation, even though the applicant is not the inventor.[20] To do this, we must resolve the issue of how ownership can be transferred from the AI to

[20]Sebastian Krügel, Andreas Ostermaier, and Matthias Uhl, "Zombies in the Loop? Humans Trust Untrustworthy AI-Advisors for Ethical Decisions," *Philosophy & Technology* 35, no. 1 (March 2022), https://doi.org/10.1007/s13347-022-00511-9.

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the applicant. To keep patent, copyright, and trademark ownership from becoming murky, the present legal system must change to accommodate the rapid development of AI. In the end, Malaysian courts will decide whether AI is capable of overcoming these difficulties.

(d) Law of Contract:

The use of AI in contractual relations raises questions of responsibility and liability, especially if AI is solely or mostly responsible for fulfilling certain contractual tasks. Contracts involving AI may be enforced under the Contracts Act 1950 if they meet the requirements for a valid contract, which include an offer, an acceptance, consideration, and the intention to form legal relations. Section 11 of the Contracts Act 1950 specifies that every person is competent to contract who is of the age of majority according to the law to which he is subject, is of sound mind, and is not disqualified from contracting by any law to which he is subject. The relationship between Section 11 and AI can be understood in the context of AI's legal capacity to enter into contracts. As of now, AI systems do not have legal personality or capacity like natural persons. Moreover, AI being non-human entities, cannot fulfill the requirements of capacity to contract as outlined in Section 11. They do not have a legal age, sound mind, or the ability to understand the implications of a contract. Contracts involving AI are often formed through the actions of human agents who have the legal capacity to contract. The AI may act as a tool or technology used by humans in conducting business transactions, but it is the human operator or owner who ultimately bears legal responsibility.

As AI becomes more autonomous and capable of making decisions, questions arise regarding the ethical and legal implications of AI's actions in contracts. Issues such as accountability, transparency, bias, and fairness in AI decision-making need to be addressed in contract law frameworks. With the advancement of AI technology, there may be a need for new legal frameworks or adaptations of existing laws to accommodate AI's role in contracts. This includes clarifying the legal status of AI, defining liability for AI-generated contracts, and ensuring compliance with legal principles and regulations. Overall, Section 11 highlights the fundamental principles of contractual capacity for natural persons, but the application of

contract law to AI requires careful consideration of AI's capabilities, limitations, and legal status within the context of evolving technological advancements.

(e) Climate Change and Sustainability:

In its 2021 publication, the National Fourth Industrial Revolution Policy (4IR Policy) lays out the government of Malaysia's plans to use AI and other technological advancements to improve environmental sustainability. This means getting into the top 50 on the EPI and cutting emissions of greenhouse gases by 45 percent by 2030. The administration has emphasising the five fundamental 4IR technologies: AI, the Internet of things, blockchain, advanced materials and technologies, cloud computing, and big data analytics. Everyone agrees that AI is the most important of these five technologies since it is permeating every industry and quickly becoming a part of our daily lives. Facilitating the use of 4IR technologies by corporations and social enterprises to tackle socio-environmental issues is one action related to environmental concerns.

By releasing the AIRmap, which seeks to utilise AI skills across numerous industries, Ministry of Science, Technology and Innovation (MOSTI) hopes to build a strong and sustainable AI innovation ecosystem in the country. The Central Bank of Malaysia, whose official name is Bank Negara Malaysia (BNM), published a policy document on Climate Risk Management and Scenario Analysis on November 30, 2022.[21] While AI is not brought up by name, BNM thinks that financial institutions should take the creation of novel or efficient carbon capture technology into account when they perform climate scenario analyses. With AI being a top priority for the Malaysian government in its fight against environmental issues, more industry guidelines should be released soon.

[21]Praveen K. Kopalle *et al* ("and others"), "Examining Artificial Intelligence (AI) Technologies in Marketing via a Global Lens: Current Trends and Future Research Opportunities," *International Journal of Research in Marketing* 39, no. 2 (June 2022): 522–40. https://doi.org/10.1016/j.ijresmar.2021.11.002.

(f) Employment Laws:

Many jobs might be in jeopardy as a result of AI's introduction and widespread use in the workplace, which could prove that human workers are unnecessary in certain sectors. To stop layoffs from becoming so widespread and damaging to the economy in the long run, it may be necessary to implement restrictions. Here are some important provisions found in Malaysian law:

- "Except as expressly authorised by this Constitution, there shall be no discrimination against citizens on the grounds only of religion, race, descent, place of birth, or gender in any law or the appointment to any office or employment under a public authority or in the administration of any law relating to the acquisition, holding, or disposition of property or the establishing or carrying on of any trade, business, profession, vocation, or employment," reads Article 8(2) of the Federal Constitution.
- If an employee and employer have a dispute over discrimination in the workplace, the Director General can look into it and reach a resolution according to Section 69F(1) of the Employment Act 1955. This decision may prompt the Director General to make a directive.

Employers cannot discriminate against job applicants, employees, or members based on their union membership or affiliation, as stated in Section 5(1)(c) of the Industrial Relations Act 1967. Employees with disabilities have the same right to equal employment opportunity as employees without disabilities under the Persons with Disabilities Act 2008 (PWDA), as stipulated in Section 29(1) of the Act. Section 29(2) of the PWDA states that employers must ensure that people with disabilities have the same rights as individuals without disabilities in the workplace, including equal opportunity, pay, protection from harassment, and grievance resolution.

All of the above should be considered by businesses as they use AI for hiring purposes, and they should strive to offer equitable job possibilities. Anyone who feels they were the target of prejudice when applying for a job can file a formal complaint or claim. Having said that, ignoring a negative AI review when making hiring decisions is

not expected to pose a major legal risk. AI automates the processes of performance evaluation and job tracking by collecting data from multiple sources, such as calendars, emails, and project management software. Computers analyse data for patterns and provide objective comments on where employees might make improvements.

Although AI may eliminate biases and human mistakes from processes like monitoring and performance reviews, it is still a mechanical process when it comes to providing employees with feedback, assistance, and advice since it lacks the human element that is essential for making relationships. Due to its reliance on statistical and algorithmic inputs, IT technology may miss opportunities to recognise employees' hidden talents. However, AI algorithms allow for a more comprehensive forecast of employee performance and continuous assessment as well as real-time analysis, so employees can solve performance issues immediately rather than waiting for a predetermined performance review cycle.

Additionally, there are some tasks that human intervention is necessary because AI cannot automate them, such as defending against claims of unfair dismissal. To fire an employee in Malaysia, a company must have a good reason, or reasons, to do so. If an employee performs poorly his or her employer needs to show that he or she was provided with adequate feedback and an opportunity to improve. AI systems use complicated algorithms and a wide number of data sources, making it extremely difficult to identify the specific data points that AI employs.[22]

Companies still require human intervention, especially in defending against claims of unfair dismissal, despite the increasing dependence on AI technology in the workplace. This means that AI is not perfect. To fire an employee in Malaysia, a company must have a good reason, or reasons, to do so. Using the AI's technique to decide whether to lay off an employee requires employers to comprehend the reasoning behind the AI's conclusions, including which employees were retained and which were rejected. Because AIs use a wide variety of data points and complicated algorithms, it is practically impossible for employers to determine which data point an AI employs.

[22]Androniceanu and Sabie, "The Impact of Digitalization," 9.

Malaysia requires employers to provide a proper rationale and explanation for any dismissals that are attributed to AI technology. This necessitates that businesses be able to shed light on the events leading up to the termination, including the reasoning behind the algorithm's selection of certain employees and their subsequent dismissal. Because AIs use a wide variety of data points and complicated algorithms, it is practically impossible for employers to determine which data point an AI actually employs. Employers have the burden of proof when trying to define poor performance, showing that workers were given adequate warnings and opportunities to improve.

(g) Data Privacy Laws:

Supersized amounts of sensitive information are no problem for AI systems. To prevent misuse and security breaches that could compromise data sanctity and privacy, stringent data protection regulations are necessary to regulate the handling of such data. The Personal Data Protection Act 2010 (PDPA) is relevant because AI frequently requires processing and collection of personal data in commercial transactions. Any data user, which is defined as anyone who processes any personal data, must adhere to the seven Personal Data Protection Principles as codified in the Personal Data Protection Act 2010. Consequently, these standards must be met even when data users use AI to handle personal data.

This is all taking into account the big picture, which frequently requires permission prior to data processing. This likely implies that data users utilising AI must ensure that personal data is processed only for the duration that the data subject gives their consent. Enhanced security and integrity standards are particularly relevant when AI is employed to handle personally identifiable information. Data users will likely be subject to less liability when using AI to process personal data if they comply with the PDPA.

WHY REGULATORY FRAMEWORK IS REQUIRED TO GOVERN AI IN MALAYSIA?

There is currently no specific law in Malaysia that deals with the governance of AI; as a result, any issues brought about by the technology will be controlled by the existing laws, regulations, and industry standards of conduct. A set of ethics and governance guidelines for AI is being developed by Malaysia in response to growing demand from AI companies looking to broaden their customer base and penetrate new markets. The Ministry of Science, Technology, and Innovation (MOSTI) is responsible for establishing AI governance. In light of this and the potential risks associated with AI, MOSTI launched the National Artificial Intelligence Roadmap 2021–2025. To advance AI, the AI-Road map strategy seeks to create an ecosystem for AI innovation that follows responsible AI principles and makes use of a quadruple helix partnership. In five (5) national priority areas, the AI-Road map proposed eleven (11) use cases for AI, each with its own unique set of technological drivers including sensors, AI, and extra analytics. These use cases include (a) Agriculture & Forestry; (b) Medical & Healthcare; (c) Smart City & Transport; (d) Education; and (e) Public service. To help direct the creation of trustworthy and conscientious AI, the roadmap also lays forth seven principles, including (a) Justice; (b) Reliability, security and control; (c) Privacy and security; (d) inclusion; (e) Transparency; (f) Accountability; and (g) Prosperity and happiness of mankind.

The Ministry of Science, Technology, and Innovation (MOSTI) should have initiated the process of establishing AI governance and an ethics code, alongside having intentions to enact a comprehensive AI bill. The creation of laws and rules to advance and control AI is what this code of ethics is all about making sure the technology is applied sensibly, ethically, and safely.

Several issues, including data privacy, educating the public about the use of AI, guaranteeing accountability and transparency, and controlling cybersecurity risk, should be covered by the proposed AI Bill. This legislation must be created in a way that strikes a balance between encouraging innovation and addressing possible risks, all the while guaranteeing that AI will continue to benefit society and the economy.[23] To guarantee the strength and applicability of this

[23]David and Baquero, "Promises and Limits," 105.

legislative endeavour, specialists in technology, legal practitioners, stakeholders, and members of the public must be consulted.

Furthermore, YTL Power International Bhd and the US-based Nvidia Corp are working together to create AI infrastructure and bring the fastest supercomputers to Malaysia by the middle of 2024. Additionally, the government and multinational tech behemoth Google partnered to expand local and Malaysian businesses' access to the expanding digital economy. Though some industries claim that excessive regulation can impede the advancement of quickly evolving technology, others are overly worried that the AI Act will impede technological innovation. The effect of AI legislation on business may involve higher infrastructure and resource investments, depending on the sector and domain in which AI is being utilised. To comply with the new requirements, businesses will need to invest in resources and skills. This will involve creating strong governance frameworks for AI, assessing risks, and putting in place mechanisms for accountability and transparency.

Companies must create and implement fair, transparent, and accountable AI systems. This may entail ensuring that AI judgments can be explained, minimising bias through the use of methodologies, and designing and developing systems with ethical issues in mind.

Stakeholders in the industry can provide policymakers with technical know-how and insights to help create laws that are workable and efficient. Industrialists must realise that rules may stimulate innovation by creating a favourable atmosphere, reducing risks, and guaranteeing the moral and responsible application of AI. To help shape the AI policy and guarantee a balance between innovation and compliance, all stakeholders should thus participate in continuing discussions and cooperation with the relevant ministry.

Malaysia will gain from having an early lead in the development of AI legislation, even though only China and the European Union have done so thus far. Other nations, such as the USA and the UK, are also working on similar regulations. AI regulations should address issues like data privacy, fairness, and accountability, as they will encourage innovation and promote responsible development. Furthermore, flexibility will be enabled and needless burdens on low-risk

applications will be avoided by ensuring that the degree of regulatory intervention is commensurate with the possible harm brought about by particular applications. The sector needs to exercise caution around algorithmic bias, privacy infringement, and discrimination against individuals or groups until the AI regulation is approved in Malaysia.

Furthermore, adherence to the rules would boost confidence among clients and stakeholders. According to a poll conducted by the international market research and consultancy firm Ipsos Malaysia, 70% of Malaysians have the same level of faith in businesses using AI as they do in other businesses.[24] Simultaneously, it will lessen the possibility of legal disputes and penalties related to unjust, prejudiced, or discriminatory AI systems. To increase public knowledge of AI and its possible advantages and disadvantages, the public should also be included in talks and consultations. Strong ethical standards and legal frameworks for the application of AI will also be beneficial.

CHINESE LAWS OR POLICIES GOVERNING AI APPLICATIONS

New, specialised regulations controlling AI were first introduced by China's Cyberspace Administration (CAC). Businesses involved with AI will be subject to compliance duties as part of China's efforts to reduce the risks associated with the technology. Chinese data privacy, cybersecurity, unfair competition, and e-commerce laws may already apply to AI applications, as they do in other countries. As it works on AI regulation, the MOSTI can draw on the following insights from the Chinese-enacted AI Act:

(a) Geographical reach:

All individuals and organisations within the People's Republic of China (PRC) are governed by the AI Regulations. The government of the PRC may also take action against foreign individuals or groups involved in AI research and development or service provision using AI. However, the Generative AI Regulation makes it clear that the relevant

[24]Bruno, Neto and Roazzi, "Are the New AIs,".

services must be made available to the general public inside the PRC borders before AI technology can be employed for research and development in the PRC.

(b) Material scope:

The Deep Synthesis Regulation imposes heavy responsibilities on everyone involved with deep synthesis technology, including platforms for distributing apps online, service providers, consumers, and technical support staff. The Draft Ethical Review Measure mandates that institutions, including universities, hospitals, and other health-related organisations, as well as businesses engaged in relevant science and technology-related operations, must conduct ethical reviews. This regulation mainly applies to service providers and applies to any use of algorithm recommendation technologies to provide internet information services in the PRC. It also covers any use of deep synthesis technologies. Service providers defined as businesses or people that offer AI services via AI technology are the primary targets of the Generative AI Regulation.[25] This includes technical supporters that grant API access to AI technology to service providers. Everything in the realm of science and technology that poses an ethical risk to humans, animals in research, or any other species would be subject to this rule. It does not cover the creation and implementation of AI systems that have not yet been put into use to offer public services in the PRC. All AI technology used to deliver public services in the PRC are subject to this regulation.

(c) Penalties:

- If a service provider does not comply with the Algorithm Recommendation Regulation, as stated in Article 31, the penalties outlined in other relevant laws and regulations will be enforced. If this is not possible, the relevant authorities in charge of cyberspace may issue warnings, public denouncements, or

[25]Xiaofang Li, and Huchang Liao, "A Large-Scale Group Decision Making Method Based on Spatial Information Aggregation and Empathetic Relationships of Experts," *Information Sciences* 632 (June 2023): 503–15.

rectification orders within a specified time frame. The appropriate authorities have the power to suspend information updates and levy a fine ranging from CNY10,000 to CNY100,000 if the infraction is not remedied promptly or if there are aggravating circumstances.

- In the Deep Synthesis Regulation, there are no explicit consequences for violations. If a technical supporter or provider of deep synthesis services violates the restrictions, other relevant laws and regulations may impose penalties, as stated in Article 22. What happens if people or websites do not follow the rules is also not specified. Nonetheless, the law grants the telecom, cyberspace, and public security agencies the power to oversee rule compliance and carry out inspections of deep synthesis operations. If the cyberspace departments and other relevant authorities determine that the deep synthesis service poses serious risks to information security, they can instruct the service providers and technical backers to halt any further updates, user account registration, or related services, and to compensate for any violations.

- As stated in Article 21 of the Generative AI Regulation, "the relevant authorities shall impose penalties by applicable laws and regulations, including the Cybersecurity Law, Data Security Law, Personal Information Protection Law, and Technology Progress Act on any service provider (including technical supporters through APIs) that violates the regulation. Unless otherwise provided under applicable laws and regulations, the relevant authorities may issue warnings, public denouncements, or orders for rectifications within a time limit." Legal authorities have the power to suspend generative AI services if a violation is not resolved promptly or if there are aggravating factors. In particular, if the applicable laws and regulations of the PRC have been violated, CAC may ask the appropriate authorities to take technical or other measures as needed with regard to generative AI services that originate outside the PRC but are provided to individuals within the PRC.

- In the Draft Ethical Review Measure, there are no specified consequences for failing to comply. Conversely, Article 48 just provides that relevant sanctions may be levied under other laws

and regulations to any entity involved in important research and technology operations that violates the regulations.

The European Union and the Rules or Structure Governing AI Applications:

Last year, the European Parliament decided to adopt its negotiating position on the Artificial Intelligence (AI) Act (the "AI Act") with 499 votes in favour, 28 against and 93 abstentions ahead of talks with EU member States on the final shape of the law, amid warnings about AI from many around the world, most notably Elon Musk.[26] The Treaty on the Functioning of the European Union, specifically Article 288(2) sentence 2, states that the AI Act will be directly applicable to every EU Member State. Nevertheless, as stipulated in Article 85(2) of the AI Act, there is a 24-month transitional period. The EU-enacted AI Act offers the MOSTI the following insights as it works on AI regulation:

(a) As Defined by the AI Act, What Constitutes "AI"?

AI can signify many different things, and the definition given by the Act mostly agrees with the definition given by the Organisation for Economic Co-operation and Development (OECD):

> "*machine-based system that is designed to operate with varying levels of autonomy and that can, for explicit or implicit objectives, generate outputs such as predictions, recommendations, or decisions that influence physical or virtual environments*."

(b) Preserving Human Rights:

It may be argued that human rights are well protected in the EU compared to other countries in the world. The AI Act takes this very much into account. The hazards that an AI system poses to both its users and third parties are the basis for the risk-based approach adopted by the AI Act. In the words of the European Parliament, "*[t]he rules would ensure that AI developed and used in Europe is fully in line with*

[26]Conroy, "How ChatGPT," 234.

EU rights and values including human oversight, safety, privacy, transparency, non-discrimination, and social and environmental wellbeing."

(c) The Application of Risk-based Strategy:

Using a risk-based approach, the regulations set the requirements for both providers and those implementing AI systems, considering the potential level of harm that the technology may cause. Systems that present little risk or none at all are not covered by the AI Act. The European institutions do not believe that these systems need to be regulated. As a result, the AI Act does not apply to these systems, which would include AI in video games. The following categories are included in the relevant three-tier risk model:

i. Unacceptable risk, which includes, among other things, detrimental behavioural manipulation, social scoring, and real-time biometric identification systems in public areas. According to Article 5 of the AI Act, this category is forbidden;

ii. High risk, which is admissible given the term but only under certain circumstances. High-risk systems are therefore subject to stringent regulation and comprehensive requirements under the AI Act; among other things, this may be observed from the fact that 46 sections (Articles 6 through 51 of the AI Act) addressed their scope;

iii. Restricted risk, which is allowed to engage in direct human-to-human interaction because it presents an acceptable amount of risk, as in the case of a chatbot. Under Article 52 of the AI Act, these systems are allowed as long as they adhere to a few transparency requirements, such as informing end users that they are dealing with a machine.

(A) The USA and AI Regulation:

Although it is still in its early phases, general AI regulation is under consideration in the majority of US jurisdictions. S. 3205 / H.R. 6936 the Federal Artificial Intelligence Risk Management Act 2023/2024, creates policies that the federal government will follow to reduce the dangers related to AI. The White House has released a draft AI Bill of Rights as well as an Executive Order on safe, secure, and reliable AI. The Equal Employment Opportunity Commission (EEOC) has also been adamant in its declaration that it will stick to Title VII of the Civil Rights Act, which prohibits discrimination against workers and job seekers regardless of whether a person or a robot poses a risk. As of right now, the only AI-related law in existence is Local Law 144 of New York City, which mandates that automated hiring procedures undergo a bias assessment. Not too far behind in crafting their state laws are California and New Jersey, among other states.

(B) The United Kingdom's Strategy for Regulating AI:

The UK's new strategy acknowledges that regulations ought to be implemented equitably. The Framework exists to make sure that there is solid evidence to support any costs that firms or others may need to incur before new regulations are enacted. Five fundamental principles serve as the foundation for the cross-sector, outcome-based approach that the UK government has adopted to regulate AI. These are contestability and redress; justice; accountability and governance; safety, security, and robustness; and adequate transparency and explain ability. It is a cross-sector framework that is non-statutory and founded on principles. Its goal is to apply the current technology-neutral regulatory framework to AI in a way that strikes a balance between safety and innovation.[27] The UK acknowledges the eventual need for legislative action, specifically about General Purpose AI systems (GPAI). It does, however, maintain that it would be premature to do so at this time and that more knowledge is needed regarding the regulatory gaps, dangers, and issues related to AI. This strategy is in contrast to other jurisdictions that are implementing more prescriptive legislative

[27]Thorp, "ChatGPT Is Fun," 313.

measures, such as the EU and, to some extent, the US. This shows that variation in global AI regulation approaches is more likely, even in the face of agreements on international collaboration.

SUGGESTIONS FOR MALAYSIAN LEGISLATORS

The establishment of AI governance, promotion of AI research and development, and expansion of digital infrastructure to enable AI are all responsibilities of MOSTI. To build a strong and long-lasting AI innovation ecosystem in Malaysia by 2025, MOSTI launched the National Artificial Intelligence Roadmap. This plan aims to leverage the quadruple helix cooperation of government, academia, industry, and society. Nonetheless, as AI is not currently regulated in Malaysia, the following suggestions could be considered by Malaysian legislators when they design legislation:

i. *Clear Definition of AI:* Firstly, the rule about AI needs to specify the range of technologies that it is intended to control. This gives stakeholders and technology users clarity. The Chinese AI's scope could be taken into consideration in this situation to provide direction.

ii. *Be Adaptable:* Since AI is a rapidly developing sector, laws attempting to control it should be adaptable in both their scope and application to guarantee that the laws remain effective as the field develops and grows. In this kind of situation, benchmarking with UK legislation may be considered.

iii. *Create an AI Classification System:* Different AI tools and products have different applications, and there can be a wide range of differences between them. Chinese classification is separated into material and territorial categories, while the EU employs a risk-based framework. However, Malaysia does not have to implement a comparable framework. Alternatively, Malaysia might provide broad guidelines for all AI systems, along with more detailed guidelines for typical AI systems like chatbots and picture production tools, etc.

iv. *Regulate the Handling of Information:* To guarantee that potentially sensitive information is handled securely and is not maintained by the AI, Malaysia must make sure that all data and

information processed by the AI is subject to the Personal Data Protection Act 2010;

v. *Promote the Expansion of the AI industry Rather than Impede it:* Malaysia should welcome the development of AI and work to support advancements in the field given the unavoidable arrival of AI. Although regulation is crucial for now, it should not be overly onerous to the point where it hinders Malaysia's AI industry's expansion.

vi. *Penalties:* The proposed EU AI Act allows for sanctions of up to €30 million or 6% of the total yearly sales made internationally. The AI Regulations in the PRC, on the other hand, are a collection of departmental guidelines that address various facets of AI systems. As a result, Malaysian laws about AI should either emulate Chinese law or follow the EU standard.

CONCLUSION

Examining the legality of AI in Malaysia and the need for a proactive regulatory framework uncovers an intricate environment that is interconnected with both prospects and difficulties. Malaysia, similar to numerous other nations, finds itself at a critical juncture in the progress of AI, carefully managing the interplay between scientific breakthroughs and the legal, ethical, and sociological consequences. Firstly, the analysis has revealed that Malaysia's current legal framework has some deficiencies and uncertainties about AI-related matters such as liability, accountability, data privacy, intellectual property rights, and algorithmic transparency. The presence of these gaps introduces uncertainty and potential hazards for the stakeholders engaged in the development, implementation, and utilisation of AI. Hence, it is imperative to revise and strengthen Malaysia's legal framework to tackle the distinct difficulties presented by AI technology. Furthermore, it is crucial to emphasise the importance of implementing a proactive regulatory framework. An ideal framework should be created to promote innovation and competitiveness, while also ensuring the protection of fundamental rights, ethical standards, and societal well-being. Even though, Malaysia is currently looking into potential policy changes as, in contrast to the EU and China, it does not have any regulations or rules in place to control the use of AI. There has been talk of including both general AI and generative AI into the

Malaysian framework. It is essential to raise public awareness, according to MOSTI, which is why they have been stressing the need to develop resources and run campaigns to teach people about AI and its applications in every related industry. Educating the public on the distinctions between human and AI-generated content and the possibility of AI bias is one aspect of this. As a result, the minister has offered suggestions regarding possible legislative provisions that would promote AI education to the general public and bolster AI research and development. In the end, this leads to a community that is more careful and conscious, which reduces the impact of AI-generated disinformation. In addition to facilitating conversations about AI standards and regulations, it urges users to be more analytical in their media consumption. A person's decision-making abilities are enhanced by all of these factors.

Additionally, data created entirely or in part by AI should be clearly identifiable. To keep investment and innovation from being stifled, the minister of Science, Technology and Innovation thinks it is important to find a middle ground between risk management and the potential for AI innovation, which could be a game-changer for the country's economy and people's quality of life. While AI does revolutionise various industries, the legal implications of human usage of AI are paramount. The people must be given the credit they deserve for their creativity and resourcefulness. The incentive for human creators and inventors may be diminished if AI can provide valuable and novel content. Therefore, a well-balanced legal structure that incorporates both human and AI agents is crucial for maintaining a healthy intellectual property landscape.

In conclusion, achieving a legally robust and morally accountable AI system in Malaysia necessitates taking proactive measures, engaging in collaborative endeavours, and consistently adapting to technical progress and societal demands. Malaysia can effectively utilise the revolutionary power of AI while minimising risks and maximising benefits for all stakeholders and society as a whole by implementing a progressive regulatory framework that emphasises legality, openness, fairness, and accountability.

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