

# Standing up for safeguards:

How civil society is resisting Europe's  
tech regulation rollback

Funders' briefing

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## Executive Summary

- As part of a wider deregulatory push, Europe's groundbreaking regulations on artificial intelligence are under attack. The European Commission's Digital Omnibus initiative to 'simplify' the rulebook reverses protections that safeguard people from high-risk uses of AI, secure their privacy and uphold their rights.
- This rewriting of freshly passed laws is creating legal uncertainty for business, undermining Europe's role as a global leader on regulation, and casting doubt on other countries' efforts to build regulations along the European model.
- Civil society groups are rallying to ensure these hard-won public safeguards are maintained – through campaigning, advocacy and allying across causes such as climate and labour, that also face sweeping cuts in protections.
- Funders need to recognise that the job is not done on regulation in Europe. Ongoing independent philanthropic funding is needed to resource public interest voices working at both European and national levels. Support is also needed to enable coordination as well as to build proactive strategies that promote a clear public interest agenda on AI in the long term.

# What's happening in European tech regulation and why does it matter?

**Europe has the most advanced regulation of AI technologies globally. With the passing of the AI Act in 2024, the European Union set out to demonstrate that AI can and should have guardrails which set common standards across the market and protect people from harms.**

The law – together with Europe's other tech and data protection regulation – sets a precedent that is being watched by other jurisdictions that look to follow in Brussels footsteps, including the UK, Brazil and California.

## **A pivot to deregulation threatens society's safeguards**

However, at the end of 2025, and before much of the AI Act had even come into force, the European Commission announced the Digital Omnibus – a set of proposals whose stated aim is to simplify Europe's tech laws and lower requirements for compliance. In practice though, the changes are highly political. They are driven by a push for competitiveness and drive for AI adoption within the EU, an aggressive anti-regulation stance from the US, and intense tech industry lobbying.

The Digital Omnibus proposals start to unpick some of the hard-won safeguards that had been included in the AI Act, as well as other EU regulations, including the General Data Protection Regulation (GDPR).

The initiative also coincided with a scandal around the proliferation of AI generated sexualised imagery on Grok, a platform owned by Elon Musk's xAI. Contrary to the wider deregulatory agenda, policymakers have seized the opportunity to push for a ban on non-consensual sexual deepfakes in the revisions to the AI Act, in addition to the existing prohibitions the Act foresees.

There is a legitimate case that the EU's tech regulations are complex, overlapping and difficult to comply with. However, the proposed changes have failed to address these concerns for industry and have caused alarm for their potential to significantly dilute protections for the public.

Rather than clarifying Europe's tech regulations, the Digital Omnibus has created legal uncertainty, casting doubt on the EU's role as a trustworthy regulator and its commitment to its own processes.

## What are the proposed changes?

The Digital Omnibus is actually two proposals to amend regulations – one that focuses on the AI Act and another that focuses on the GDPR, the Data Act, and the Data Governance Act.

The two proposals must be considered by the European Parliament as well as EU Member States through the Council of the European Union. Once these bodies have adopted positions, they will thrash out a compromise position with the Commission in the trilogue process.

This process is expected to conclude by mid-2026 for both the AI and Data Omnibus. However, the looming deadlines in the planned AI Act implementation timetable put greater time pressure on the AI proposals.

Some of the impacts of the proposed changes include:

### **Not requiring developers to register their risky AI systems on a public EU-wide database**

The Commission has proposed to lift a requirement for developers who deem their systems not to be high-risk – even if they fall within a list of risky use cases – to register in a public EU-wide database. This would create a gaping loophole as companies could self-certify as not being high-risk with no oversight for their assessments, making it questionable why any company would choose to adhere to the high-risk requirements. Depending on the outcome of the trilogue negotiations, the proposal may not be adopted in full, but the requirements are nonetheless likely to be watered down from the original version.

### **Increasing the scope for sensitive personal data collection**

The proposals allow for sensitive data to be used to identify potential bias in AI systems. This could mean for instance capturing information about people's religion or sexual preference to know if there was a bias against people who are Muslim or gay. This could give companies wide ranging scope to be exempt from data protection requirements and allow far-reaching collection of personal data on the pretext of bias detection. This data can then potentially be misused, targeting people on the basis of personal characteristics.

### **Allowing AI companies to scrape personal data as a “legitimate interest” to train their models**

The proposals would increase AI companies' ability to scrape and process personal data to develop and operate an AI system or model if it can be in the 'legitimate interest' of an organisation. This means that if an organisation thinks its interests to process personal

data for AI training do not interfere with people's rights, interests or freedoms, it can go ahead with AI training and development. It's also proposed that sensitive data (for instance gender, age, religion) can be used if it would require vaguely defined 'disproportionate effort' to remove it.

### **Widening SME definition means most AI firms would be exempt from AI Act obligations**

A widened definition of small and medium sized enterprises, which are already exempt from many AI Act obligations, could lead more companies not having to abide by regulations. Mid-cap enterprises with fewer than 750 employees and less than €150m turnover will now also be exempt from many requirements. In practice this would mean the vast majority of AI firms active in the EU face lighter rules, and public safeguards are rendered meaningless in practice.

If adopted, these changes will have huge consequences for the protection of people's rights, the safety of AI systems used in the EU as well as Europe's leadership on global digital policy.

# What are public interest groups doing to stand up for safeguards?

**This is a vital moment to stand up for safeguards that protect people from harm. The window for influencing discussions around deregulation is very short. Public interest groups are providing democratically rooted oversight and governance for how technologies are used in our societies.**

This is challenging work for a small community working on scant resources in the face of a concerted and well-financed industry lobby. By investing energy in saving these hard-won protections, public interest groups are also held back from building proactive strategies to shape the policy agenda in the public interest in the longer term.

For the past five years, the European AI & Society Fund has supported a diverse community of tech and social justice organisations to ensure the public interest was well represented in the development of the EU AI Act and other legislation.

Through that time, we saw how the needs of communities most affected by the impacts of AI were brought into the legislative process and resulted in better safeguards for everyone. The Digital Omnibus rushes through changes in a way that actively excludes these perspectives and unpicks the careful work of previous years.

Here's how public interest groups are responding to the EU's deregulation agenda right now:

## **Rallying quickly to feedback on the EU's deregulation proposals and protect hard-won inclusive tech rights**

Public interest groups must now refight old battles in an accelerated timeline to ensure that the protections that they helped secure in legislation are not jettisoned. They have carefully been analysing 300 pages of deeply technical proposals to understand their implications for people's rights. This work requires a huge amount of team capacity, technical and legal expertise.

Organisations have rallied quickly to point out fundamental flaws in the proposals, and advocate to uphold people's rights and safety from harmful AI systems.

There are some early signs that these efforts are bearing fruit. Although the European Parliament is now dominated by right-wing parties focused on competitiveness and deregulation, there are indications they will reject some of the proposals – for instance it

seems likely they will retain the requirement to register high risk AI uses, albeit with looser conditions.

### **Joining forces with other movements and national level organisations**

The proposed changes to digital regulation are part of a much wider swathe of 'simplification' across laws that protect labour and social rights, human rights, and the environment. Tech justice groups are making common cause with other movements, contesting the overarching agenda and building a shared narrative around social, political, economic and environmental rights, with 470 organisations coming together to demand that protections are upheld.

National advocacy is also important as the EU Member States must also approve the changes, and civil society organisations are working to build alliances with countries that are potentially more favourable to upholding the regulations.

### **Continuing work to implement the AI Act**

Despite the Digital Omnibus, work on implementing the AI Act continues. This involves its adoption by Member States and the establishment of regulatory structures at both EU and national level. Civil society organisations continue to participate in these processes to ensure public interest needs are well represented, creating additional demand on their time and resources.

# What can funders do to help public interest organisations?

**It's important for funders to recognise that the job is not done on EU regulation. The adoption of tech regulations under the mandate of the previous European Commission is being unpicked by the current administration. Even once the negotiations over the Digital Omnibus proposals are complete, pressure to erode the rules that protect people and society from harmful impacts of AI will continue.**

Sustained support from independent funders is essential for civil society to be able to hold the line in the public interest, free from corporate ties. Funders can help in several ways:

## **Flexible funding**

Civil society organisations need flexible and predictable funding to continue to make the case for the importance of these regulations and to be a watchdog for effective implementation and enforcement. Through our grantmaking over the past five years, we've found groups need freedom to adapt to unpredictable policy timelines and shift tactics and approaches. Funding also needs to be sustained so that expertise and credibility that takes time to establish can be leveraged in the longer term.

## **Support for work at both European and national levels**

Civil society needs support for work at both European and national levels. The highly political nature of tech regulation means it's important to inform policy in member states that exert strong influence over the agenda, as well as working with the institutions in Brussels. Grantmaking by the European AI & Society Fund and others to strengthen coalitions in Germany, Italy, Spain, France, Greece and Ireland has noticeably grown the power of those movements.

## **Infrastructure for effective coordination**

Funders can provide infrastructure for effective coordination between groups to build common strategies, avoid duplication and ensure good knowledge sharing, particularly between what's happening within national political agendas and the EU institutions. They can also address knowledge gaps – for instance the European AI & Society Fund commissioned legal analysis of the AI Act to help groups develop their strategies on the Digital Omnibus.

## **Facilitate wider alliances**

Funders can facilitate wider alliances, enabling connections across affected sectors such as digital rights, climate and labour and within the sector – for instance between civil society groups, academia, journalists and aligned industry voices.

### **Enable longer-term strategy and narrative-building**

Funders can support work to build a longer-term strategy and compelling narratives, creating space for groups to break out of the reactive mode they are often forced into and start proactively shaping the policy agenda. Our grantees have identified the dominant narrative that regulation hinders innovation as a key barrier to progress and investment to support capacity and infrastructure to address this is needed.

### **Coordinate with each other**

Funders should ensure they are well coordinated among themselves in how they support the field to deploy resources effectively and strategically. The European AI & Society Fund, as well as other philanthropic communities, can provide space for this to happen.

## **What next?**

**Philanthropists can act now to support public interest organisations to continue analysing, mobilising and influencing to ensure we do not lose these hard-won safeguards for people, society and planet.**

The European AI & Society Fund team can help you find the right strategy for your organisation's approach to funding public interest organisations fighting for these fundamental rights. You can support our work directly as one of our funding partners, or we can advise on relevant organisations within our network that could be a good fit. Get in touch with our Senior Partnerships Manager Peggye to find out more: [peggye.totozafy@europeanaifund.org](mailto:peggye.totozafy@europeanaifund.org)

## Further insight from our grantees

[“Reopening GDPR and ePrivacy through the Digital Omnibus: a risky path for EU digital rights”](#), EDRI, 11 February 2026.

[“Keep it simple? How ‘simplifying’ AI and data rules for big tech leaves people paying the cheque”](#), Ada Lovelace Institute, 17 November 2025.

[“One year on, the new European Commission is abandoning human rights.”](#), Access Now, 2 December 2025.

[“CDT Europe’s Analysis of the Digital Omnibus Regulation Proposal”](#), Centre for Democracy & Technology, 10 December 2025.

## About the European AI & Society Fund

The European AI & Society Fund mobilises a community of funders to fight for Artificial Intelligence that works for everyone, not just the powerful few. We support diverse public interest groups across Europe to shape the AI debate, set the policy agenda, and secure accountability.

Since 2020, we’ve partnered with 20 funders to award €13.6 million to public interest organisations across 27 countries to shape AI to better serve people, society and planet.

This briefing paper was written by the European AI & Society Fund, following a funders’ briefing meeting, with contributions from Ella Jakubowska of European Digital Rights (EDRI) and Julia Smakman of the Ada Lovelace Institute.

[Discover our grantees.](#)