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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Antici Group (Simplification)
Subject:	Omnibus VII (part on AI) - Presidency discussion note for the AGS on 9 January 2026

Delegations will find enclosed a note by the incoming Cyprus Presidency with a view to steering the discussion on the proposal on Omnibus VII (part on AI) at the meeting of the Antici Group (Simplification) on 9 January 2026.

Presidency discussion note
Digital Omnibus on AI
Antici Group on Simplification (AGS), 9 January 2025

At the last meeting of the AGS devoted to the proposal for the Digital Omnibus on AI, which took place on 15 December 2025, the Danish Presidency organised a detailed Q&A session with the Commission on the entire proposal, and an exchange of views based on a Presidency discussion note, focusing on one element of the proposal – the implementation timeline of the rules for high-risk AI systems. At the upcoming meeting of the AGS on the Digital Omnibus on AI, on 9 January 2026, the Cyprus Presidency would like to continue the discussion in a similar format, by focusing on further eight elements of the proposal. The feedback from the Member States will be used by the Cyprus Presidency to guide the work on the first compromise text, which will be presented and discussed in the last week of January. The discussion will be organised in two rounds, with four questions for each round.

Round 1

During the first round, the delegations will be asked to reflect on four topics: processing of sensitive personal data for bias detection and correction, registration of 'filtered' AI systems, amendments concerning real-world testing of high-risk AI systems and AI regulatory sandboxes, and AI literacy. The discussion will be based on the following four questions:

Question 1 – Processing of sensitive personal data for bias detection and correction (new Article 4a)

Do you agree with the extension of the legal basis for the processing of special categories of personal data to detect bias to non-high-risk AI systems and AI models? In this context, do you agree with the formulation 'where necessary and proportionate' in paragraph 2 of the new Article 4a? If not, how could it be improved?

Question 2 – Registration of 'filtered' AI systems (Articles 6 and 49)

Do you agree with the proposal to remove the requirement for providers to register AI systems that are used in high-risk areas but for which the provider has concluded that they are not high-risk according to Article 6(3), for example because they are only used for narrow procedural tasks? If yes, are the current safeguards laid down in the AI Act sufficient to ensure that providers of high-risk AI systems do not apply Article 6(3) too broadly to avoid compliance? If not, what other safeguards could be envisaged?

Question 3 – Amendments concerning real-world testing of AI systems (Articles 60 and 60a) and AI regulatory sandboxes (Article 57 and 58)

Do you support the proposal to extend real-world testing opportunities also to high-risk AI systems covered by Annex I (currently they are limited to those listed in Annex III)? Do you support the inclusion of the requirement of facilitating cross-border co-operation between national competent authorities in the establishment of AI regulatory sandboxes? If yes, how should the modalities of such cooperation be established? What is your view on the proposal to establish an EU-level AI regulatory sandbox by the AI Office?

Question 4 – AI literacy (Article 4)

The Commission proposes to amend the provisions concerning AI literacy by shifting the responsibility from providers and deployers to the Member States and the Commission. Do you support this change? If yes, do you believe further clarity is needed in the text of the article on

how the Member States and the Commission are expected to demonstrate compliance? How could this requirement be made more operational without creating administrative burden?

Round 2

During the second round, the Cyprus Presidency would like to focus on more centralised supervision of certain AI systems by the AI Office, conformity assessments and notified bodies, the extension of regulatory privileges of SMEs to SMCs, and transparency. The discussion will be structured around the following four questions:

Question 5 – More centralised supervision of certain AI systems by the AI Office (Article 75)

The proposal narrows the competence of the AI Office by excluding high-risk AI systems under Annex I. Conversely, the proposal clarifies that the AI Office's competence over AI systems which are built on GPAI models and offered by the same provider is exclusive. Moreover, the AI Office would gain a new exclusive competence for AI systems that constitute or are integrated into a designated VLOPs/VLOSEs within the meaning of the DSA. Do you support this proposal to update the supervision and enforcement powers of the AI Office? If yes, do you see the need for further clarification of the requirement for national competent authorities to assist the AI Office in the exercise of those powers?

Question 6 – Conformity assessments and notified bodies (Articles 28, 29, 43)

The Commission proposes a number of changes concerning conformity assessment and notified bodies, including a single application procedure for notified bodies, a transition period for notified bodies and including Article 17 in conformity assessments. What is your view on these changes? Are these the right tools to ensure there are no gaps in conformity assessments?

Question 7 – Extension of regulatory privileges of SMEs to SMCs (Articles 63, 11, 17, 70, 95, 96, 99)

What is your view on the proposed extension of some of the benefits granted under the existing AI Act to small and medium enterprises (SMEs) also to small mid-caps (SMCs)? Do you see any other possibilities to ensure privileged regulatory treatment of SMEs and SMCs without compromising on the high level of protection of fundamental rights?

Question 8 – Transparency (Article 50)

According to the proposal, providers of AI systems, including general purpose AI systems, generating synthetic audio, images, videos or text placed on the market before 2 August 2026 will have a six-month grace period for ensuring compliance with the obligation to implement technical solutions to mark outputs as artificially generated or manipulated and ensure they are machine-readable. What is your view on this extension? Do you think 6 months is the right timeframe, or do you suggest a shorter or longer period?