

EU AI ACT – Classification Assessment & Compliance Declaration

Silly Pilot Oy Business ID: 3572343-6

Field	Value
Document Type	AI Act Classification Assessment
Regulation	Regulation (EU) 2024/1689 (EU AI Act)
Version	1.1
Assessment Date	March 2026
Previous Version	1.0 (February 2026)
Classification	LIMITED RISK AI SYSTEM
Role	AI System Deployer (Integrator)

Version History

Version	Date	Changes
1.0	February 2026	Initial assessment
1.1	March 2026	Added formal Article 6(4) internal risk assessment; strengthened Annex III Point 8(a) analysis; added Article 6(3) structured conditions checklist

Executive Summary

This document assesses Velvoite.eu's AI systems against the EU AI Act (Regulation 2024/1689) and concludes that our AI-powered regulatory document processing services qualify as **LIMITED RISK AI SYSTEMS** with transparency obligations only.

Velvoite.eu operates as an AI System Deployer, integrating General Purpose AI (GPAI) models from Google (Gemini) into our regulatory compliance monitoring platform. We are NOT a GPAI model provider and do NOT develop foundation models.

Critical Classification Note: Velvoite.eu is an information retrieval and document processing tool. It does NOT provide legal advice, legal interpretation, or recommendations that influence access to justice or legal proceedings. Under Annex III Point 8(a), AI systems intended to assist judicial authorities in interpreting facts and law are classified as high-risk. Velvoite.eu does NOT fall within this category because it:

- Processes publicly available regulatory documents (search and retrieval function)
- Provides AI-generated summaries for informational purposes only
- Extracts structured obligation data without legal interpretation
- Explicitly disclaims any legal advisory function
- Does not assist in applying law to specific cases or facts

1. Company and AI System Overview

1.1 Company Information

Field	Value
Legal Entity	Silly Pilot Oy
Trading Name / Platform	Velvoite.eu
Business ID	3572343-6
Headquarters	Espoo, Finland
Company Size	Microenterprise (< 10 employees)
Industry	RegTech / Regulatory Compliance SaaS

1.2 AI Systems Operated

AI System	Description	AI Models Used
Regulatory Document Extraction	AI-powered extraction of compliance obligations from EU regulatory documents	Google Gemini Flash
Document Summarisation	AI-generated summaries of regulatory documents for quick reference	Google Gemini Flash
Semantic Search	Vector embedding-based search across regulatory corpus	Google Gemini Embedding
Document Classification	Automated classification of documents by regulation family, entity type, and urgency	Google Gemini Flash

1.3 Role Under the AI Act

Deployer (Article 3(4)): A natural or legal person using an AI system under its authority, except where the AI system is used in the course of a personal non-professional activity.

Silly Pilot Oy is classified as a **DEPLOYER** because we:

- Integrate third-party GPAI models (Google Gemini) into our application
- Use AI systems under our authority to provide services to customers
- Do NOT train or develop the underlying AI models
- Do NOT modify the model weights or core capabilities

2. Risk Classification Assessment

2.1 Prohibited AI Systems (Article 5)

Assessment: NOT APPLICABLE

Velvoite.eu's AI systems do NOT:

- Deploy subliminal, manipulative, or deceptive techniques
- Exploit vulnerabilities related to age, disability, or socio-economic circumstances
- Perform social scoring of individuals
- Assess risk of individuals committing criminal offenses
- Compile facial recognition databases
- Infer emotions in workplaces or educational institutions
- Perform biometric categorisation inferring sensitive attributes
- Perform real-time remote biometric identification

2.2 High-Risk AI Systems (Article 6, Annex III)

Assessment: NOT HIGH-RISK

Annex III High-Risk Use Cases Assessment

Annex III Category	Applicable?	Justification
Biometrics	NO	No biometric processing
Critical infrastructure	NO	Information tool only, no infrastructure management
Education and vocational training	NO	Not used in education

Annex III Category	Applicable?	Justification
Employment and worker management	NO	Regulatory monitoring, not HR
Essential public/private services	NO	No creditworthiness, benefits, or emergency services
Law enforcement	NO	Not used for law enforcement
Migration and border control	NO	Not applicable
Administration of justice (Point 8(a))	NO	See detailed analysis in Section 2.3 below

2.3 Detailed Analysis: Annex III, Point 8(a) – Administration of Justice

Annex III Point 8(a) classifies as high-risk: *“AI systems intended to be used by a judicial authority or on their behalf to assist a judicial authority in researching and interpreting facts and the law and in applying the law to a concrete set of facts.”*

Conclusion: Velvoite.eu does NOT fall within Point 8(a).

Structured reasoning:

- 1. Intended users are not judicial authorities.** Velvoite.eu is designed for compliance teams at EU-regulated financial institutions (credit institutions, payment firms, investment firms, insurance undertakings). It is not marketed to, designed for, or sold to courts, judges, tribunals, or other judicial authorities.
- 2. The system does not interpret or apply law to facts.** Velvoite.eu extracts verbatim quotes from published regulatory texts and generates plain-language summaries. It does not reason about how a legal provision applies to a specific factual situation, nor does it produce legal conclusions or recommendations.
- 3. The system does not assist in adjudication.** There is no mechanism by which the platform’s output could inform the outcome of legal proceedings, sentencing, dispute resolution, or any judicial decision.
- 4. Outputs are explicitly disclaimed as non-advisory.** The Terms of Service (Section 6.1), the AI Transparency Notice, and in-product UI labels all state that outputs are informational only and do not constitute legal advice. Users are directed to consult qualified legal professionals.
- 5. Functional nature is information retrieval.** The system is functionally equivalent to a legal database with AI-powered search and summarisation (comparable to EUR-Lex’s own search tools), not an AI system that performs legal reasoning.

2.4 Formal Article 6(4) Internal Risk Assessment

NEW IN v1.1 — This section constitutes the formal internal assessment required under Article 6(4) of the EU AI Act, documenting our conclusion that Velvoite.eu’s AI systems are not high-risk despite operating in a domain adjacent to Annex III categories.

2.4.1 Purpose of This Assessment

Article 6(4) permits a provider or deployer of an AI system referred to in Annex III to conclude that the system is not high-risk, provided the system does not pose a significant risk of harm to the health, safety, or fundamental rights of natural persons. This assessment must be documented internally and made available to national competent authorities upon request.

2.4.2 Assessment Methodology

This assessment evaluates each of Velvoite.eu’s four AI systems (extraction, summarisation, search, classification) against the criteria in Article 6(3):

Condition (a): The AI system is intended to perform a narrow procedural task.

- **Extraction:** Performs a narrow, well-defined task — identifying and quoting regulatory obligation text from structured legal documents. It does not interpret, weigh, or apply the extracted text.
- **Summarisation:** Generates condensed descriptions of regulatory documents. This is a text compression task, not a reasoning or decision-making task.
- **Search:** Returns ranked results based on vector similarity. This is a retrieval task identical in function to conventional search engines.
- **Classification:** Assigns predefined labels (regulation family, entity type, urgency) from a fixed taxonomy. This is a categorisation task with bounded output space.

Assessment: SATISFIED. All four systems perform narrow procedural tasks (extraction, summarisation, retrieval, categorisation) with no autonomous decision-making capability.

Condition (b): The AI system is intended to improve the result of a previously completed human activity.

- All outputs serve as preparatory aids for compliance professionals who independently verify, interpret, and act on regulatory requirements.
- No output triggers automated actions, decisions, or workflows without human review.
- The three-layer answer architecture (AI summary + verbatim legal text + source link) is specifically designed to support human verification.

Assessment: SATISFIED. The system augments and accelerates human compliance monitoring. It does not replace human judgment.

Condition (c): The AI system is not intended to replace or influence the assessment of natural persons in matters relevant to Annex III categories.

- Velvoite.eu is used by compliance officers for internal regulatory monitoring. It does not influence assessments of individuals (no scoring, profiling, or evaluation of persons).
- The system processes institutional regulatory texts, not personal data or individual cases.

Assessment: SATISFIED. No natural person’s rights, access to services, or legal position is assessed or influenced by the system’s outputs.

Condition (d): The AI system performs only a preparatory task for an assessment relevant to Annex III categories.

- Even if a compliance officer’s work ultimately relates to regulatory compliance (which may fall adjacent to administration of justice), Velvoite.eu performs only a preparatory information-gathering step.
- The final compliance assessment, interpretation, and decision remain entirely with qualified human professionals.

Assessment: SATISFIED. The system’s role is strictly preparatory.

2.4.3 Risk of Harm Assessment

Risk Factor	Assessment	Rationale
Risk to health	NONE	Information retrieval system; no health-related outputs or decisions
Risk to safety	NONE	No connection to safety-critical systems or physical infrastructure
Risk to fundamental rights	NEGLIGIBLE	Processes public regulatory texts; no personal data profiling; no individual assessments; no impact on access to justice, employment, or public services
Severity of potential harm	LOW	Worst case: a compliance officer reads an incorrect summary and fails to check the verbatim source text. Mitigated by mandatory source attribution and disclaimer
Probability of harm	LOW	Users are professional compliance officers trained to verify regulatory information. The three-layer answer design makes verification the default workflow
Reversibility	HIGH	

Risk Factor	Assessment	Rationale
		Any error can be corrected by consulting the linked original source document. No irreversible automated actions are taken
Number of affected persons	LIMITED	B2B service for professional use within regulated financial institutions

Overall risk assessment: NOT SIGNIFICANT. Velvoite.eu does not pose a significant risk of harm to the health, safety, or fundamental rights of natural persons.

2.4.4 Conclusion

Having assessed all four AI systems operated by Velvoite.eu against Article 6(3) conditions and the Article 6(4) risk-of-harm criteria, Silly Pilot Oy concludes that:

1. All systems satisfy the conditions under Article 6(3)(a)-(d) for non-high-risk classification.
2. No system poses a significant risk of harm to the health, safety, or fundamental rights of natural persons.
3. The systems are therefore **not high-risk** under Article 6 of the EU AI Act.

This assessment was conducted by the designated AI oversight person (see Section 2.4.5) and will be reviewed annually or upon any significant change to the AI systems, their intended purpose, or relevant regulatory guidance.

2.4.5 Documentation and Authority

Field	Value
Assessment conducted by	Matti Puhakka, CEO & Designated AI Oversight Person
Date of assessment	March 2026
Next scheduled review	March 2027 (or earlier if triggered by material change)
Available to	National competent authorities upon request (Article 6(4))
Registered in EU database	To be completed when registration portal opens (Article 49(2))

2.5 Limited Risk AI Systems (Article 50)

Assessment: LIMITED RISK – TRANSPARENCY OBLIGATIONS APPLY

Velvoite.eu AI systems generate content (summaries, obligation extractions, classifications) that users interact with, therefore transparency obligations under Article 50 apply. Users must be informed that content is AI-generated.

3. Transparency Obligations Compliance

As a deployer of limited-risk AI systems, we comply with Article 50 transparency requirements:

Requirement	Implementation	Status
Inform users of AI interaction	Clear labeling: 'AI Summary', 'AI-Extracted Obligation' throughout UI	COMPLIANT
Identify AI-generated content	All AI outputs marked with AI indicator badges	COMPLIANT
Machine-readable AI content marking (Art. 50(2))	API responses include <code>ai_generated: true</code> metadata field; <code>extraction_method</code> field distinguishes AI-processed from verbatim content	COMPLIANT
Explain AI capabilities and limitations	Documentation, in-app guidance, and mandatory disclaimer provided	COMPLIANT
Human oversight available	All outputs are informational; users make final compliance decisions	COMPLIANT
Source attribution	Original regulatory document links provided for every AI output	COMPLIANT

4. General Purpose AI Model Integration

Velvoite.eu integrates GPAI models from Google. We rely on our upstream provider's compliance with GPAI obligations under Articles 53-55.

GPAI Provider	Models Used	Use Case	Provider Compliance
Google (Alphabet)	Gemini 2.0 Flash	Document extraction, summarisation, classification	Subject to GPAI obligations (Art. 53)
Google (Alphabet)	Gemini Embedding 001	Vector embeddings for semantic search	Subject to GPAI obligations (Art. 53)

Our Responsibilities as GPAI Integrator:

- Use GPAI models only for intended purposes (regulatory document processing)
 - Maintain technical documentation from providers
 - Ensure our use case does not elevate risk classification
 - Monitor for updates to provider compliance status
 - Ensure AI-processed content is clearly distinguished from original source material
-

5. SME Provisions

As a microenterprise under EU law, Silly Pilot Oy benefits from SME-specific provisions in the AI Act:

- Priority access to regulatory sandboxes (Article 57)
 - Proportional conformity assessment fees (Article 62)
 - Simplified documentation requirements
 - Dedicated SME communication channels
 - Proportional obligations for any GPAI model development
-

6. Compliance Measures Implemented

6.1 Technical Measures

- AI-generated content clearly labeled in user interface (summaries, extractions, classifications)
- Original source documents linked alongside every AI output (“three-layer answer”: AI summary, verbatim legal text, clickable source reference)
- Machine-readable metadata on API responses identifying AI-generated content
- Audit logs of AI system outputs maintained (minimum 6 months retention)
- Human oversight capabilities — all information is advisory
- Documentation of AI model versions and capabilities

6.2 Organisational Measures

- Designated AI oversight person: Matti Puhakka, CEO (Article 26(2))
- AI literacy training for staff (Article 4)
- AI Quality Management System documented (Article 17(1)) — see separate QMS document

- Operational monitoring and suspension procedure established (Article 26(5))
- Non-compliance remediation procedure documented (Article 20(1))
- Regular review of AI system classification
- Monitoring of regulatory guidance and updates
- Incident reporting procedures established
- Quality assurance processes for AI extraction accuracy

6.3 Documentation

- This AI Act Classification Assessment (v1.1, including Article 6(4) assessment)
- AI Quality Management System (internal governance document)
- AI System Technical Documentation
- AI Transparency Notice for users
- Data Protection Policy
- Data Retention Schedule (updated for Article 26(6) log retention)
- Terms of Service with legal disclaimer

7. Compliance Timeline

Milestone	Description	Date
AI Act Entry into Force	Regulation published	August 2024
Prohibited AI Systems	Prohibitions apply	February 2025
GPAI Provisions	GPAI obligations apply	August 2025
High-Risk (Annex III)	High-risk obligations apply	August 2026
High-Risk (Annex I)	Product safety integration	August 2027

Review Schedule: This assessment will be reviewed annually or when significant changes occur to our AI systems, business model, or regulatory guidance. The Article 6(4) assessment (Section 2.4) will be reviewed on the same schedule.

DECLARATION OF COMPLIANCE

Silly Pilot Oy, operating the Velvoite.eu platform, hereby declares that:

- Our AI systems have been assessed against Regulation (EU) 2024/1689 (EU AI Act)

- A formal Article 6(4) internal risk assessment has been conducted and documented (Section 2.4), concluding that our systems are not high-risk
- Our AI systems are classified as LIMITED RISK and are NOT prohibited or high-risk under the Act
- Our platform functions as an information retrieval and document processing tool, NOT a legal advisory service
- We comply with applicable transparency obligations under Article 50
- We integrate GPAI models from compliant third-party providers
- A designated AI oversight person has been appointed (Article 26(2))
- An AI Quality Management System has been established (Article 17(1))
- We will maintain compliance and update this assessment as required

Contact for AI Act inquiries: compliance@velvoite.eu

Silly Pilot Oy | CONFIDENTIAL