GLOBAL AI BRIEF

Paving the way for the India
AI Impact Summit 2026

Special Edition

Executive Summary

The final quarter of 2025 and the beginning of 2026 witnessed high-level principles on AI governance inch closer to implementation and enforcement. Globally, jurisdictions are seen espousing varying approaches to AI governance: India recognising the need to democratise access to AI by leveraging digital public infrastructure, while relying on targeted statutory intervention and competition oversight; the United States is centralising authority at the federal level and pre-empting fragmented state regulation to protect national AI competitiveness; China is strengthening state-led oversight by expanding cybersecurity enforcement, while the European Union is inching closer to operationalising the AI Act through codes of practice, whistleblower protections and supervisory mechanisms.

Despite variances, some common regulatory priorities are observed: safeguarding children against AI-related harms, mandating labelling and transparency of AI-generated content, ameliorating antitrust risks stemming from concentration of control over data, compute and energy infrastructure. Collectively, these developments mark a new phase of AI regulation focused on execution, market structure, and institutional capacity rather than normative alignment alone.

India Prepares for the India AI Impact Summit 2026

India is set to host the India AI Impact Summit 2026 **(Summit)** from 16-20 February 2026 in New Delhi. The Summit marks the first time the international AI summit series comes to the Global South. Announced by Prime Minister Narendra Modi at the France AI Action Summit, the event positions India at the center of global AI governance by shifting the conversation from theoretical frameworks (UK's "Safety" Summit, France's "Action" Summit) to measurable, real-world impact. The Summit is expected to be attended by over 100 countries, including 15 Heads of state, ministers, and leaders of global technology companies.

The Summit is anchored in three foundational principles: People, Planet, and Progress, guiding global cooperation across seven thematic working groups where over 100 countries are developing actionables for human capital transitions, social inclusion, trusted AI systems, frontier science, sustainable innovation, democratized infrastructure access, and economic development. India's ability to convene this Summit stems from its tangible progress in AI deployment. Nearly USD 70 billion in investments are already flowing into India's AI infrastructure, with expectations to exceed USD 200 billion in coming months. India has deployed 38,000 GPUs, offering subsidized computing power at significantly lower costs than global rates. Further, over 200 sector-specific AI models are set to launch during the Summit. India is also building a skilled talent pipeline by extending AI infrastructure and industry-finalised curricula to 500 universities. The Summit will demonstrate how emerging economies can lead in responsible AI deployment while addressing structural development needs.

India | Budget Watch: AI Remains Key Priority

India's Union Budget 2026–27 underscores that AI remains a key priority for India, with the Finance Minister describing AI as a "force multiplier" for better governance. Reported measures include an allocation of INR 1,000 Crore for the IndiaAI Mission and the proposed "Education to Employment and Enterprise" Standing Committee to assess the impact of AI and other emerging technologies on jobs and skills (including upskilling and reskilling). The Budget also seeks to introduce a tax holiday till 2047 for certain foreign cloud service providers serving global customers using India-based "specified" data centres, which is intended to crowd in long-term investment into data centre capacity and strengthen the domestic compute backbone needed to train, deploy and scale AI systems in India.

India's IT Ministry Notifies Amendments to the IT Rules to Regulate AI Generated Content

On 10 February 2026, India's Ministry of Electronics and Information Technology **(IT Ministry)** notified amendments to the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021 **(Amended Rules)** to regulate "synthetically generated information" **(SGI)**. The amendments, effective from 20 February 2026, respond to growing concerns around deepfakes, AI-generated content being used for impersonation, spreading misinformation, and causing user harm. They follow the IT Ministry's draft proposal released in October 2025. Considering stakeholder feedback, the Amended Rules adopt a more targeted approach, narrowing the scope of SGI to exclude routine and good faith uses. The Amended Rules distinguish between prohibited SGI (content violating existing laws, containing child sexual abuse material or non-consensual intimate images, creating false documents, or falsely depicting persons or events) and permitted SGI (requiring prominent labelling and provenance markers).

Critically, the Amended Rules introduce obligations for intermediaries enabling or facilitating SGI creation, publication, or sharing. These intermediaries must deploy technical measures to prevent creation, publication or sharing of prohibited SGI and ensure permitted SGI carries prominent labels. Significant social media intermediaries (social media intermediaries with more than 5 million registered users in India) must obtain and verify user declarations on AI-generated content through technical tools. The Amended Rules tighten enforcement timelines significantly. For instance, court-ordered takedowns are now reduced from 36 hours to 3 hours and grievance resolution from 15 days to 7 days. This signals a fundamental shift towards proactive, technology-enabled compliance, making automated monitoring and rapid response mechanisms essential for maintaining intermediary safe harbour protection.

DPIIT Releases Working Paper on Generative AI and Copyright

India's Department for Promotion of Industry and Internal Trade **(DPIIT)** released Part I of the Working Paper on Generative AI and Copyright **(Working Paper)**, which was available for public comment until 6 February 2026. The Working Paper examines whether India's existing copyright framework adequately addresses concerns related to training AI systems on copyrighted works. It concludes that the existing fair dealing exceptions are insufficient and voluntary licensing models are impractical at a large scale. The DPIIT proposes a hybrid model which provides mandatory licensing of works to provide adequate training material for AI developers while also ensuring remuneration for holders of copyright. Questions around copyrightability and authorship of AI generated outputs, including moral rights and liability for infringing outputs will be covered in Part II of the Working Paper series.

India Considers Leveraging Digital Public Infrastructure to Augment AI Access

On 29 December 2025, India's Office of the Principal Scientific Adviser **(PSA)** released a white paper on democratizing AI infrastructure access. The paper recognizes key AI resources such as compute power, datasets, and models are concentrated among a few global firms and urban hubs, limiting equitable participation. It emphasizes the need for democratizing access to AI infrastructure through scalable frameworks that lower structural barriers, enabling innovation. The white paper recommends adopting DPI model to democratize such access. It proposes treating AI infrastructure as a Digital Public Good rather than proprietary assets. This means making compute capacity, datasets, and AI tools broadly available and affordable for startups, researchers, and smaller institutions across India. The white paper recommends building integrated stack that connects foundational AI infrastructure layers rather than treating these layers as separate systems, to reduce fragmentation and enable coherent and equitable access for users. The White Paper provides a glimpse of the Government's emanating policy direction concerning AI infrastructure governance.

Competition Commission of India Examines AI's Impact on Competition

The Competition Commission of India **(CCI)** published a Market Study on AI and Competition that outlines how AI can affect competition in sectors like e-commerce, healthcare, and banking. It highlights key antitrust concerns such as algorithmic collusion, pricing practices, unilateral conduct, and barriers to entry. The market study suggests businesses to perform proactive self-audits and increase transparency in AI decision-making. The study further outlines the CCI's strategy for regulating AI in India's competitive environment by recommending governance measures for regulators to lower market entry barriers and for capacity building.

Indian Government Issues AI Governance Guidelines

India's IT Ministry released the AI Governance Guidelines **(Guidelines)** under the IndiaAI Mission. The Guidelines lay out a risk-based, innovation-first strategy for the ethical and responsible deployment of AI. It recommends an innovation-driven approach by expanding access to foundational resources such as data and compute while averting prescriptive regulations. The framework recommends relying on existing laws and principles-based guidance rather than creating new legislation. It suggests introducing targeted amendments for closing identified regulatory gaps only where necessary. It relies on "Seven Sutras" (trust is the foundation, people first, innovation over restraint, fairness and equity, accountability, understandable by design, safety, resilience and sustainability) adapted from the RBI's FREE-AI Committee report

released in August 2025, and six pillars (infrastructure, capacity, policy, risk mitigation, accountability, institutions). The Guidelines mainly rely on existing legislations to lay out the approach to governing AI, while recommending specific changes relating to intermediary responsibility, misinformation, and copyright where existing frameworks fall short.

UK High Court Rules on Stable Diffusion Outputs

In Getty Images (US) Inc & Ors v Stability AI Limited, the High Court of England and Wales considered a composite claim for copyright and trademark infringement against Stability AI. Stability operates a generative AI service that converts a user's text prompt or "seed" image into a synthetic image (Stable Diffusion). Getty's case alleged that

Unauthorised copying of Getty images into Stability's training dataset ("training" claim)	Alleged that images generated by the model infringed Getty's copyright and reproduced Getty's trademarks ("output" claims)

The court's judgment significantly narrowed the scope of the dispute because Getty abandoned its primary UK copyright infringement claim once it became clear that model training did not occur in the UK. As a result, the court's decision largely turned on alleged infringement arising from the outputs and on "secondary" copyright infringement theories tied to making the model available in the UK. The court held that Stable Diffusion does not contain or reproduce any of Getty's images and therefore does not constitute copyright infringement. Stable Diffusion could not be considered an "infringing copy" of Getty's works and images, since the nature of a generative AI model is starkly different from images and works underlying them. The Court, however, partially allowed the Output Claim in relation to trademarks. It accepted that Getty had shown that outputs reproduced Getty's trademarks. Getty was therefore, entitled to relief on trademark infringement.

The Getty v Stability decision sits within a broader global pattern: rights holders and publishers continue to bring claims against AI developers over alleged unauthorised ingestion of copyrighted works for model training, and alleged downstream harms. Recent examples reported in late 2025 and January 2026 include allegations against Nvidia and Apple for training its AI models using pirated book libraries.

China Amends Cybersecurity Law to Strengthen AI Oversight

China amended its Cybersecurity Law bolstering AI regulation and considerably increasing punishments for cybersecurity offenses. The amendments came into effect from 1 January 2026. The revisions bring penalties in line with the Data Security Law and the Personal Information Protection Law. The amendments also significantly broaden the law's extraterritorial scope, extending it from overseas activities that harm China's critical information infrastructure to any overseas activities that harm Chinese cybersecurity. At the same time, they provide potential relief by explicitly recognising situations in which penalties may be reduced or waived. These mitigating provisions are consistent with the Administrative Penalty Law and the Provisions on the Application of Discretionary Benchmarks for Administrative Penalties by Cyberspace Administration Departments, which took effect in August 2025.

Australia Announces National AI Plan and AI Safety Institute

The Australian Government announced the National AI Plan **(Plan)**. The Plan outlines a proportionate, risk-based strategy based on existing regulations which will be complemented with targeted measures when gaps arise. The Plan prioritises economic growth, equitable adoption, and safety, while strengthening regulator-led oversight within existing frameworks. Along with the Plan, the Australian Government also announces the establishment of the Australian AI Safety Institute **(AISI)**, to evaluate developing AI capabilities, provide regulatory assistance, and facilitate international coordination.

United States Issues Executive Order to Pre-Empt State-Level AI Regulation

On 11 December 2025, President Trump signed an Executive Order **(EO)** seeking to establish federal supremacy over state-level AI regulation. The EO noted that fragmented state laws create compliance burdens and threaten US competitiveness in AI innovation. The EO seeks to sustain US's global AI dominance through a minimally burdensome national policy framework and initiates federal action to challenge state AI laws that conflict with this objective. The EO requires the administration to draft federal legislation that creates a single national AI policy, which will override conflicting state laws. However, states can still regulate AI in three areas: protecting children, managing data centre infrastructure, and deciding how state governments use AI. These measures aim to centralize AI governance and eliminate fragmentation of AI laws.

EU Takes Steps Towards AI Act Enforcement

The European Union **(EU)** published the first draft Code of Practice on AI-generated content transparency **(CoP)**. The CoP seeks to help AI providers requires clear disclosure of deepfakes and certain AI-generated text. Although the CoP is voluntary, it will provide developers and deployers a practical roadmap for complying with transparency requirements under the AI Act. Additionally, it will shape how global platforms develop appropriate technical measures for disclosure and detection.

The European Commission has set up a whistleblower tool for confidential reports of suspected AI Act breaches to be submitted directly to the European AI Office. The tool allows individuals professionally connected to an AI model provider to communicate confidentially with the regulators. The whistleblower tool indicates the EU's commitment to meaningfully implement the EU AI Act.

The European Data Protection Supervisor **(EDPS)** released two complementary guidance documents to help EU institutions deploy AI systems in compliance with data protection law. The first guidance (28 October 2025) updates EDPS recommendations on generative AI use, clarifying the definition of generative AI and providing a practical compliance checklist covering lawful bases, roles and responsibilities, risk assessments, and accountability measures. The second guidance (11 November 2025) establishes a lifecycle-based risk management framework for AI systems, focusing on fairness, accuracy, data minimization, and security throughout design, deployment, and monitoring phases. Both documents suggest best practices for any organization that may consider deploying AI systems.

French Competition Authority Flags Antitrust Risks Linked to AI's Environmental Footprint

The French Competition Authority has published a study looking into the competition risks posed by the energy and environmental impact of AI, more specifically generative AI and data centres. The study identifies electricity access, grid constraints, and sustainability claims as emerging competitive factors which may harm smaller firms. It recognises "frugal AI" as a possible pro-competitive differentiator but cautions against capacity hoarding and greenwashing. The Authority advocates for clear data and standards for measuring the environmental impact of AI to maintain fair market competitiveness.

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