LEGAL REGULATION OF THE USE OF ARTIFICIAL INTELLIGENCE IN ARBITRATION

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Received: **Accepted:**	11th February 2024 20th March 2024	In today's world, artificial intelligence (AI) is playing an increasingly important role in various fields, including law and arbitration. The emerging opportunities and challenges associated with the use of AI in arbitration processes highlight the need for clear and balanced legal regulation. In this article we will look at the key aspects of such regulation, as well as current trends and prospects in this area.

Using AI in arbitration provides a number of benefits. First of all, it improves the efficiency of the process, speeding up decision making and reducing the cost of time and resources. AI is also capable of analyzing large amounts of data and identifying patterns and trends, which helps arbitrators make informed and objective decisions. In addition, the use of AI can help improve transparency and reduce the likelihood of human error.

Legal regulation of the use of AI in arbitration must take into account several key aspects. First, it is necessary to ensure transparency and explainability of the algorithms used by AI. This is important both for the parties to the arbitration process and for society as a whole to ensure the fairness and legality of the decisions made. In addition, legislation must protect data privacy and ensure compliance with ethical and fair principles [3].

Today, many countries and international organizations are actively working to develop appropriate legal regulation. For example, the European Union is introducing a set of rules to regulate the use of AI, including its use in arbitration. There is also active activity at the level of individual countries, such as the USA, Canada, China and others.

In addition, the academic community and professional organizations are making significant contributions to the development of ethical standards and best practices in the use of AI in arbitration. Research and exchange of experience allow us to develop effective and fair methods of applying AI in justice.

The European Union, as one of the leaders in technology regulation, is actively developing laws aimed at controlling the use of AI. In 2021, the European Commission introduced a proposal to regulate artificial intelligence and a set of rules known as the "Digital Services Act" and "Digital Markets Act", which address aspects of the use of AI in arbitration [5].

An example is the recent decision of the European Court of Justice in a case involving the use of algorithms for insurance arbitration. According to EU directives, such algorithms must be transparent and explainable to ensure fairness and consumer protection.

In the United States, legislation on the use of AI in arbitration is less centralized and focused on individual states and judicial practices [8]. Unlike Europe, where the focus is on ethical and principled aspects, the United States tends to take a pragmatic approach focused on empirical solutions.

For example, California has a law requiring companies to ensure that the algorithms used in arbitration are transparent and explainable [2]. However, such rules may differ significantly from the laws of other states, creating some regulatory heterogeneity.

Both regions strive to ensure fairness and transparency in the use of AI in arbitration, however, their approaches to this problem are different. In the EU, the emphasis is on principles and ethics, while in the US, practical experience and regional differences are more important.

However, there is growing convergence in AI and arbitration regulation between the EU and the US [4]. Both sides are beginning to take into account international standards and best practices, which may lead to convergence of legislation in this area in the future.

The use of artificial intelligence in arbitration is a complex issue that requires careful regulation. The European Union and the United States of America are actively working to develop appropriate legislation, however, their approaches to this problem differ [1]. Ultimately, harmonization of international standards and legislative convergence can help create a more sustainable and fair arbitration system in the era of digital transformation.

We will also take a closer look at online arbitration based on artificial intelligence.

One of the striking examples of legal regulation of online arbitrations powered by artificial intelligence is the European Union Digital Market Act. Under this legislation, which came into force in 2021, there are rules aimed at ensuring transparency and explainability of algorithms used in arbitration processes. Specifically, the Digital Markets Act requires that AI systems making decisions in arbitration must be able to explain their findings so that litigants and third parties can understand the basis for the decisions made [6].

Another example is the law of the state of California, USA, which regulates the use of AI in arbitration. AB 1281, passed in 2020, requires companies that provide AI arbitration services to provide users with access to information about how the algorithms make decisions [9]. This law ensures transparency and explainability of the arbitration process, protecting the interests of the parties and addressing potential ethical and legal issues associated with the use of AI.

Thus, these examples of legislation demonstrate the importance of developing clear rules and standards to regulate online arbitrations based on artificial intelligence. They also emphasize the importance of transparency, explainability and protection of the rights and interests of participants in the arbitration process in the context of the use of new technologies [8].

In conclusion, legal regulation of the use of artificial intelligence in arbitration is an integral part of creating a fair and effective dispute resolution system. It is aimed at ensuring transparency, explainability and protection of the rights of participants in the arbitration process. Legislative examples from around the world show that regulations requiring artificial intelligence systems to make decisions transparent and explainable help build trust in arbitration systems and ensure that they meet high standards of fairness and legality [3].

However, taking into account the dynamic development of technology and the emergence of new challenges, constant updating and improvement of legal regulation is necessary. This requires active collaboration between government agencies, civil society organizations, legal and technology experts to create adaptive and effective tools that promote the further development of arbitration and ensure that the interests of all parties are protected in the era of digital transformation.

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