LearnWise

EU AI Act Classification for LearnWise AI Products

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Introduction to AI Act

The EU AI Act (hereinafter "Act" or "AIA") is a legal framework for regulating AI systems that are functioning in the EU market.[1] The AI Act ensures that Europeans can trust what AI has to offer, while addressing and minimizing the undesirable risk created by AI systems.[2] Knowing that LearnWise Software International B.V. (hereinafter "LearnWise") is putting their AI products into the EU market by working with Universities in the EU, regardless of serving other markets as well, the applicability of the Act requires no further discussion.[3] Hence, it is highly important to provide a detailed understanding of each AI product (system) that LearnWise is putting into the market, and the classification of such products under the Act. Considering the complexity of the Act in terms of various definitions, elements, criteria and thresholds that AI systems must satisfy to be classified as one risk type, each product will be analysed separately.

Risk Categories

Nothing that a risk-based approach has been adopted for the AI Act, instead of a right-based approach as in the General Data Protection Regulation ("GDPR"), has immensely shaped the classification of AI systems.[4] Although the risk-based aims to classify the AI systems in accordance with the amount of risk they pose on its users, society, and organizations, the classification is not made by merely measuring the risk, due to abstract concepts. The approach provides criterias and lists where certain types of AI system may fall under, rather than trying to determine risk assessment for each AI system. The risk categories for AI systems are separated into 4 categories, while the first one cannot be produced, sold or used within the EU, the second and third categories are allowed with certain obligations.

1. **Unacceptable risk:** AI systems that are a clear threat to safety and fundamental rights of its

[1] Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonized rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) OJ L 2024/1686.
[2] European Commission, 'AI Act' Shaping the Europe's digital future < https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai#1720699867912-0 > accessed on 4 December 2025.
[3] Article 2 of AI Act establishing the scope and ensuring the applicability of the Act to the companies.
[4] Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) [2016] OJ L 119/1; The focus of the Regulation was based on data subjects rights and their fundamental rights, which were detected to be where the shortcomings of GDPR have risen, so the Commission adopted a risk-based approach to cover the risks posed by the AI systems (Oskar J. Gstrein, 'European AI Regulation: Brussels Effect versus Human Dignity?' [2022] Zeitschrift für Europarechtliche Studien (ZEuS) 755 < https://papers.ssrn.com/sol3/papers.cfm?abstractid=4214358 > accessed 20 December 2024, page 4.)

users, including but not limited to, manipulative AI systems that exploit vulnerabilities of individuals and distort behavior, and AI systems that engage in social scoring.

2. **High risk:** AI systems that have a significant harmful impact on health, safety, or fundamental rights of its user, whereby they are subjected to compliance mechanisms. Such systems are explicitly listed under Annex III, and pose obligations not only to its providers, but also their deployers.
3. **Limited (transparency) risk:** AI systems that are interacting with humans are subjected to transparency obligations towards their users. Such systems include but are not limited to, chatbots, and generative AI that are required to be fully disclosed to its users of interaction with the AI system.
4. **Minimal or no risk:** AI systems that are mostly encountered as consumer-face AI applications that pose almost no risk to its users and not subjected to any obligations under the Act. For instance, AI spam filters, predictive texting, and recommendations engines.

General-Purpose AI systems vs General-Purpose AI models

Moreover, the Commission put greater emphasis on General-purpose AI systems (hereinafter "GPAI") due to their multi-functioning abilities, and potentiality of systemic risk they might pose on the consumers.[5] The Act provides specific obligations for the providers of GPAI models and GPAI models with systemic risk, which these obligations have effectively come into force on 2 August 2025 under the AIA.[6] GPAI systems do not fall under the risk categories introduced, but they have their own set of obligations according to whether they are posing a systemic risk or not. The exception for these GPAI systems apply when the model is used for purely internal processes that are not essential for providing a product or a service to third parties and the rights of natural persons are not affected.

The difference between GPAI model and system is crucial to understand the risk classifications. The model refers to a fundamental model that is trained on broad data, capable of performing multiple tasks (not domain-specific), and distributed to developers to build applications on top of it.[7] While the GPAI system is referred to as the end-user application performing specific functions (chatbot, analytics engine, support assistant, etc.), the risk classification depends on its use case, not on the fact that a GPAI model powers it. Hence, the GPAI system that is used in the education sector to evaluate the learning outcomes can potentially render the AI system high-risk.

[5] AI Act (n 1), article 3(65); "having a significant impact on the Union market due to their reach, or due to actual or reasonably foreseeable negative effects on public health, safety, public security, fundamental rights, or the society as a whole, that can be propagated at scale across the value chain".
[6] AI Act (n 1), recital 97 and 179.
[7] AI Act (n 1), recital 97-101.

High-risk AI systems explained

The first paragraph of Article 6 sets out the fundamental requirements for an AI system to be classified as high-risk. The cumulative requirement dictates AI system can be classified as high-risk where; (a) "AI system is used as a safety component of a product or AI system is a product", and (b) such "product is required to undergo a third-party conformity assessment to be put on the market or it is pursuant to the Union harmonisation legislation under Annex I".[8] Although the Products are AI systems, the Products are not subjected to Union Regulations under the Annex I. Therefore, they cannot be classified as high-risk under Article 6(1) AIA. However, Article 6(2) AIA sets additional requirements under the Annex III, where the critical industries have been listed, and renders the AI systems that are implemented into such industries as high-risk AI systems. Knowing that Products are designed to be implemented into the education services, LearnWise products may be considered as high-risk as they are intended to be used to evaluate learning outcomes under paragraph 3 of Annex III of the Act.[9]

Nevertheless, this is not always the case, particularly when the **products have already been classified as limited risk or minimal risk categories due to their very nature, or subjected to exemption under Article 6(3) AIA**. Therefore, it is essential to first establish the nature and aim of the Product.

1. AI Feedback and Grader

Nature of the product

AI Feedback & Grader is an instructor-facing tool embedded in the LMS (e.g., Canvas SpeedGrader, Brightspace Grader, Moodle). It analyzes a student's submission alongside the assignment instructions, rubric, and relevant course materials to draft rubric-aligned feedback and a suggested grade for the instructor to review and publish.

A. Not enabled 'autograde' (exemption – Article 6(3)(d) AIA)

Notwithstanding the fact that the Product in question is satisfying the conditional requirement of "evaluating learning outcomes" under the Annex III (3)(b) pursuant to Article 6(2) for high-risk classification, the AI system in question may not materially influence the outcome of decision-making, and does not cause a significant harm of fundamental rights on students.[10] Understanding that humans are established as the integral part of the application of Products, where the human instructor must review and approve each AI suggestion before final grade is released confirms that the **Product does not engage in the decision-making process, and all**

[8] AI Act (n 1), art 6(1).
[9] AI Act (n 1), Annex III (3).
[10] Ibid, Annex III (3)(b).

decisions are required to be taken by a human instructor. Besides, the outcomes of the AI feedback assistant is limited to a suggested feedback text regarding the student's assignment, where all outputs of AI are advisory and no grade is determined by AI. All considered, given the absence of autonomous decision-making by the AI system, and having sole intention of providing AI supported text proposals to teachers, the Product is interpreted as performing a preparatory task to an assessment in evaluating learning outcomes according to **Article 6(3)(d) AIA**.[11] Hence, non-autograde Feedback and Grader falls under the exemption for high-risk AI systems due to lack of significant harm posed on individuals, and may be classified as **limited risk AI systems**.

B. Enabled 'autograde' (high risk – Article 6(2) + Annex III)

From a different standpoint, the autograde enabled version of the Product may pose higher risk, as AI systems will be engaging into the decision-making process, while grading and generating the feedback autonomously. Although there will still be human-in-the-loop where teachers are given the chance to even edit the autograded version or upload their pre-defined feedback rubric for AI system to align, the fact that decision-making is done by AI may render the Product to fall out of the scope of preparatory task exemption under Article 6(3) AIA. Hence, while the Product **may be classified as high-risk under Annex III (3)(b) pursuant to Article 6(2)**, the significant harm posed on the individuals has been proactively mitigated with the commitments adopted by the LearnWise, such as enriched traceability in explaining the decision-making process. (see Commitments section)

2. AI Student Tutor (limited risk - recital 53)

Nature of the product

LearnWise AI Tutor interacts with students inside the institution's LMS using only course content visible to that student and minimal account metadata, and processes their questions to generate answers and study support without using student data to train public models, under the institution's control.

According to the AI Act, AI systems that are intended to **perform a narrow procedural task**, such as an AI system that classifies incoming documents into categories, are of such narrow and limited nature that they **pose only limited risks**, and these risks are not increased through the use of an AI system in a context that is listed as a high-risk use in an Annex to this Act.[12] This essentially means that the AI Tutor that is not training its model from the data, but only providing personalized recommendations, such as lesson plans or time management advice to students based on the available course materials and information, may be deemed as a limited risk AI system under the Act, and such limited risk cannot be understood as high-risk just because the

[11] Ibid, Art 6(3)(d).
[12] AI Act (n 1), recital 53.

product is designed to be used in a sector designated under Annex III. Therefore, since the Product is not engaging in the decision-making process or materially influencing the decision-making process, but simply analyzing and categorising the documents to provide students with support in the learning process does not cause a significant harm of fundamental rights on students.

3. AI Campus Support

Nature of the product

AI Campus Support is LearnWise's AI Campus Support assistant that is designed to work like a chatbot across your channels, but it is more than chatting capabilities, it is a role-aware, omni-channel support layer with workflows, escalation to help desks, and analytics. Insights and Knowledge Management are built-in product capabilities of the same platform, not separate products.

A. AI Campus Support as GPAI model (and system)

According to the Act, AI systems that are functioning as chatbot classifies as minimal or no risk, which are usually engaged in no analysis or decision making but merely retrieving the input decision, as they are posing no material risk to individuals.[13] However, knowing that the product is designed to perform distinct tasks with various capabilities, such an AI model is likely to be regarded as a general-purpose AI model under the AI Act.[14] Moreover, when a GPAI model is integrated into or forms part of the AI system, the system will have capabilities to serve a variety of purposes, so it is considered a GPAI system. Hence, **AI Campus Support as Campus Support**, which performs as a chatbot, yet with minimal workflow automation, escalation to help desk, and role-awareness capabilities when interacting with students (end-user application) renders the product **as a GPAI system**.

To understand whether AI Campus Support may be considered as a "GPAI system with systemic risk", one must comprehend the nature of the system. In this case, the product is neither used in evaluating any learning outcomes as described in Annex III (3), nor training customer data, or engaging into decision-making processes. Thereby it both **falls out of the scope for 'high-risk classification'**, and 'GPAI system with systemic risk' as it **does not potentially lead to significant harm or negative effect** on fundamental right, health or safety of its users (students). This can also be proven as the AI system in question is designed to provide mere assistance with recommendations, and where the decision is required (in complex cases) it is particularly designed to escalate the issue to the help desk.

[13] AI Act (n 1), article 52(1) and recital 70.
[14] Ibid (n 6).

Classifying the GPAI systems are more complex than simple AI systems, as each feature/capabilities must be in the same level of risk to, otherwise, each feature may be subjected to different obligations in accordance with their risk category. All features have minimal risk due to human intervention at all stages, lack of decision-making and consumer data training; these features are serving the replacement of repetitive tasks, and frequently asked questions rather than engaging into decision-making. Therefore, they are subjected to disclosure statements as they are designed to interact with humans.[15]

- Chatting feature → minimal risk
- Escalation to help desk → minimal risk
- Workflow automation → minimal risk

B. AI Campus Support with Insight & Knowledge Management

The Insight Management and Knowledge Management capabilities are built in products, which can be understood as additional capabilities of analytics to the GPAI model. As the capabilities are added into the GPAI model, the risk assessment of the feature is redefining the risk classification of the GPAI system.

Both in Insight & Knowledge Management features can be understood as **analytics capabilities** where the 'Insight' is analysing and providing improvements within the staffing, and 'Knowledge' is suggesting improvements in the website to cover unanswered student questions and missing information. However, all suggestions and improvements are yet to be accepted and implemented by the faculty staff members, ensuring that the AI system is not taking autonomous decision-making, while automatically detecting and suggesting improvements. Therefore, this analytics capability can be considered as **limited risk** under the AI Act, as it performs a narrow task with limited risk. and so subjected to transparency obligations by its provider. In such a case, when AI Campus Support with either insight or Knowledge Management is implemented, there will only be transparency obligation regarding the analytics capability posed on LearnWise.

Summary Table for Risk Classification of Products

Product	**Risk category**	**Reasoning**	**Obligations**
AI Feedback & Grader	a. High-risk b. Limited risk	If there is no autonomous decision making that infringes the fundamental rights, the exception applies.	a. Transparency obligation – Article 50 b. High risk: Chapter III

[15] AI Act (n 1), article 52.

AI Student Tutor	Limited risk	The reasoning of AI requires an explanation of the process	Transparency obligation: Chapter IV (art 50)
AI Campus Support	GPAI - minimal/limited risk	It has more capabilities than a sole chatbot, so it cannot be regarded as minimal risk only	GPAI system without systemic risk: Chapter V

Commitments of LearnWise for Responsible AI

LearnWise understands that defining AI products, or how they function, can be complex and difficult; however, LearnWise, in every step of integration, emphasizes the importance of responsible AI and moves towards it with concrete actions. Firstly, to ensure higher transparency for the products that are designated as limited risk under the AI Act, LearnWise trains AI models using controlled datasets and provides traceability within the Feedback and Grader features. Each feedback output carries metadata to audit the source of suggestions, enabling review of what the AI proposed versus what was finalized by a teacher. This insight into the proportion of AI-generated suggestions versus human-authored or human-edited feedback ensures institutions to effectively assess reliance on automation and oversight, and satisfy their AI integration targets. Secondly, LearnWise implements data minimization and purpose limitation principles, maintains appropriate technical and organizational security measures, proactively ensures data subject rights, and provides sub-processor oversight with appropriate contractual safeguards. Understanding the practical exercisability of data subjects rights are more important than theoretical existence. LearnWise engages in higher GDPR compliance within all their AI product implementations in each stage. Lastly, LearnWise has integrated the ‘no consumer data training’ as a commitment, and guarantees that all AI products are trained on pre-determined datasets mainly including universities’ websites and publicly available knowledge, to serve as an assistance, tutor, or feedback & grader.

About LearnWise AI

Mission
We build safe, human-centered AI that integrates across higher education systems, helping students succeed, educators thrive, and institutions operate more efficiently.

Vision
To become the trusted AI infrastructure for global education, empowering institutions to deliver personalized, ethical, and scalable learning support.

30+ employees worldwide | HQ: Amsterdam | Operating across 4 continents

D2L Emerging Partner Award 2025
QS Reimagine Education Bronze Winner 2025

Contact Information

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