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F05-01

AI System Classification Procedure

Classification of AI systems by risk and lifecycle role — AI Act + ISO/IEC 42001

Version 1.0

Issued on *[Insert date]*

Aligned with Regulation (EU) 2024/1689 (EU AI Act) and ISO/IEC 42001:2023

Document control

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Approval

| Role | Name | Signature | Date |
|-------------------------------------|---------------|-----------|---------------|
| Prepared by — Document owner | <i>[Name]</i> | | <i>[Date]</i> |
| Reviewed by — AI Compliance Officer | <i>[Name]</i> | | <i>[Date]</i> |
| Approved by — Senior management | <i>[Name]</i> | | <i>[Date]</i> |

1. Purpose

This procedure establishes how the Organisation classifies each AI system in its inventory, with the dual aim of (i) determining the regulatory regime applicable under Regulation (EU) 2024/1689 (the EU AI Act) and (ii) defining the scope of the AI Management System (AIMS) under ISO/IEC 42001:2023. Classification is the entry point of all subsequent compliance activities and determines which procedures, controls and templates apply to each system.

2. Scope

This procedure applies to every AI system or general-purpose AI model that the Organisation develops, places on the market, puts into service, imports, distributes or uses in a professional capacity, in any geography subject to the AI Act or covered by the AIMS. It covers AI systems at any stage of the lifecycle, from inception through retirement.

3. Definitions and abbreviations

Refer to F03-03 AI Governance Glossary for the full set of definitions and abbreviations used across the Compliance Set. Terms defined in the glossary are used consistently throughout this procedure.

4. References

4.1 Legal references — AI Act

- Article 3 — Definitions (notably (1) AI system, (3) provider, (4) deployer)
- Article 5 — Prohibited AI practices
- Article 6 — Classification rules for high-risk AI systems
- Article 49 — Registration in the EU database
- Article 50 — Transparency obligations for certain AI systems
- Article 51 — Classification of GPAI models with systemic risk
- Annex I — Union harmonisation legislation
- Annex III — High-risk AI systems
- Recitals 47-53 (high-risk classification rationale)

4.2 Normative references — ISO/IEC 42001:2023

- Clause 4 — Context of the organisation (scope of the AIMS)
- Clause 6.1 — Actions to address risks and opportunities
- Annex A.6.2.2 — Objectives for AI system development
- Annex B.6.2.2 — Implementation guidance
- ISO/IEC 22989:2022 — AI concepts and terminology (informative)

4.3 Internal references

- F03-02 AI Governance Policy
- F03-03 AI Governance Glossary
- F03-04 RACI Matrix
- F10-03 AI System Inventory
- F07-04 AI System Classification Form
- F05-02 AI Risk Management Procedure
- F05-03 AI System Impact Assessment Procedure

5. Roles and responsibilities

This section is an extract of F03-04 RACI Matrix for the activities of this procedure.

| Activity | Responsible | Accountable | Consulted | Informed |
|---|---------------------------------|-------------------------|--|-------------------|
| Identify candidate AI systems and add to the Inventory | Business unit / AI System Owner | AI Governance Committee | AI Compliance Officer | Senior management |
| Complete the AI System Classification Form | AI System Owner | AI Governance Committee | Legal, Data Protection Officer, Data Science | Senior management |
| Validate classification (incl. exclusions and exceptions) | AI Compliance Officer | AI Governance Committee | Legal | Senior management |
| Approve classification of high-risk and prohibited cases | AI Compliance Officer | Senior management | Legal, AI Governance Committee | AI System Owner |
| Maintain Inventory and re-classify upon material changes | AI Compliance Officer | AI Governance Committee | AI System Owner | Senior management |

6. Procedure

6.1 Trigger events

The classification procedure is triggered when:

- A new AI system is conceived, acquired, developed or planned for deployment by the Organisation
- An existing AI system undergoes a substantial modification (refer to F07-03)
- The legal or normative framework changes in a way that may affect classification (e.g. amendments to Annex III of the AI Act, new EU Commission guidelines)
- Periodic review (at least annually) per F09-01 Post-Market Monitoring

6.2 Step 1 — Confirm that the system is an AI system

Verify that the system meets the definition of AI system per Article 3(1) of the AI Act and ISO/IEC 22989. Key elements to confirm:

- Machine-based system designed to operate with varying levels of autonomy
- May exhibit adaptiveness after deployment
- For explicit or implicit objectives, infers from input how to generate outputs (predictions, content, recommendations, decisions)
- Outputs can influence physical or virtual environments

Where the system is a deterministic algorithm or rule-based engine that does not infer outputs in the AI Act sense, it is **out of scope** of this procedure (document this conclusion in the Classification Form for traceability).

6.3 Step 2 — Identify the role(s) of the Organisation

Determine which of the following AI Act roles the Organisation plays for the system, noting that multiple roles may apply at the same time for different systems:

- **Provider** (Art. 3(3)) — develops the system or has it developed and places it on the market or puts it into service under its own name or trademark
- **Deployer** (Art. 3(4)) — uses the system under its authority in a professional capacity
- **Importer** (Art. 3(6)) — places on the Union market a system bearing the name or trademark of a non-Union provider
- **Distributor** (Art. 3(7)) — makes the system available on the Union market without being provider or importer
- **Authorised representative** (Art. 3(5)) — represents a non-Union provider in the Union

Note: a deployer may become a provider under Art. 25 if it puts its name or trademark on a high-risk system, or makes a substantial modification, or modifies the intended purpose.

6.4 Step 3 — Screen for prohibited practices (Art. 5)

Verify that the system does not fall under any of the prohibited practices listed in Article 5 of the AI Act, including:

- Subliminal, manipulative or deceptive techniques causing significant harm
- Exploitation of vulnerabilities (age, disability, social or economic situation)
- Social scoring by public authorities or on their behalf
- Risk assessment of natural persons based solely on profiling for criminal offence prediction
- Untargeted scraping of facial images for facial recognition databases
- Emotion inference in workplace and education (with limited exceptions)
- Biometric categorisation inferring sensitive attributes (with limited exceptions)

- Real-time remote biometric identification in publicly accessible spaces for law enforcement (with limited exceptions)

If a candidate use falls under Article 5, the system **must not** be developed, placed on the market, put into service or used. Escalate immediately to senior management and Legal. Document the conclusion and reject the use case in the Inventory.

6.5 Step 4 — Apply the high-risk classification rules (Art. 6)

6.5.1 Annex I path

If the AI system is intended to be used as a safety component of a product, or is itself a product, covered by the Union harmonisation legislation listed in Annex I of the AI Act, **and** that product is required to undergo a third-party conformity assessment under that legislation, the system is **high-risk**.

6.5.2 Annex III path

If the AI system falls within one of the use-case categories of Annex III (biometrics where permitted; critical infrastructure; education; employment; access to essential services; law enforcement; migration; administration of justice and democratic processes), it is **high-risk**, unless the exceptions of Article 6(3) apply:

- The system performs a narrow procedural task
- It improves the result of a previously completed human activity
- It detects decision-making patterns or deviations and is not meant to replace or influence the prior human assessment without proper human review
- It performs a preparatory task to a Annex III assessment

Important: Article 6(3) does **not** apply where the system performs profiling of natural persons — in that case the system is always high-risk.

If the provider considers that an Annex III system is not high-risk, this assessment must be **documented in writing before placing on the market or putting into service** (Art. 6(4)) and the system still requires registration under Art. 49(2).

6.6 Step 5 — Identify limited-risk transparency obligations (Art. 50)

Independent of the high-risk classification, identify whether Article 50 transparency obligations apply:

- AI systems intended to interact directly with natural persons (chatbots) — disclosure required
- AI systems generating synthetic audio, image, video or text content — machine-readable marking required
- Emotion recognition or biometric categorisation systems — notification of affected persons required
- Deep fakes — labelling required, with exceptions for manifestly artistic, creative or satirical works
- AI-generated text published with the purpose to inform the public on matters of public interest — labelling required, with editorial exceptions

6.7 Step 6 — Identify GPAI obligations (Arts. 51-55)

If the Organisation is the provider of a general-purpose AI model, determine:

- Whether the model is a GPAI model under Art. 3(63)
- Whether it qualifies as a GPAI model with systemic risk under Art. 51 (presumption when training compute exceeds 10^{25} FLOPs, or upon designation by the AI Office)
- Whether it is released under a free and open licence (which limits some obligations)

6.8 Step 7 — Define ISO/IEC 42001 scope inclusion

Independent of AI Act classification, determine whether the system is in scope of the AIMS. Per ISO/IEC 42001 Clause 4, the AIMS scope normally includes all AI systems that:

- Are developed, provided or used by the Organisation
- Could materially affect interested parties or the achievement of the Organisation's objectives
- Are subject to legal, regulatory or contractual requirements relevant to AI

Most systems classified under the AI Act are also in scope of the AIMS. Document any exclusions with justification (refer to **AIMS-PR-01 Context and Scope Definition Procedure**).

6.9 Step 8 — Document and approve

Record the classification in F07-04 AI System Classification Form and update F10-03 AI System Inventory. The form is reviewed by the AI Compliance Officer and submitted to the AI Governance Committee for endorsement; high-risk and prohibited cases are also approved by senior management.

6.10 Step 9 — Trigger downstream procedures

Based on the classification, the AI Compliance Officer notifies the AI System Owner of the procedures and templates that apply. Indicative mapping:

| Classification outcome | Procedures triggered (non-exhaustive) |
|----------------------------------|---|
| Prohibited | Project terminated; document in Inventory; no further procedures apply |
| High-risk (provider) | F05-02 to PR-13; F11-01 (Conformity), PR-03 (Retention); Annex IV technical documentation |
| High-risk (deployer) | F11-03 to PR-08; F05-03 FRIA where applicable; F03-05 literacy |
| Limited-risk transparency | F11-07 / PR-11 as applicable; F03-05 literacy |
| Minimal/no risk | Voluntary best-practice subset; F03-05 literacy |
| GPAI provider (no systemic risk) | Art. 53 obligations; Annex XI technical documentation; copyright policy |
| GPAI provider with systemic risk | Above + F09-08 72-hour reporting; Art. 55 obligations |

6.11 Step 10 — Re-classification triggers

Re-classification is required when:

- A substantial modification is made to the system (per F07-03)
- The intended purpose of the system changes
- Annex I or Annex III of the AI Act is amended
- EU Commission guidelines or implementing acts materially clarify or modify classification
- The Organisation's role for the system changes (e.g. deployer becomes provider under Art. 25)

7. Records and templates produced

| Record / template | Code | Retention |
|--|-----------|--|
| AI System Classification Form (one per system) | F07-04 | Lifetime of the system + 10 years (Art. 18 AI Act) |
| AI System Inventory entry | F10-03 | Maintained continuously |
| Non-high-risk justification (Art. 6(4)) where applicable | F07-04 §X | Lifetime + 10 years |

| Record / template | Code | Retention |
|--------------------------------------|----------|---|
| Approval evidence (AGC / SM minutes) | Internal | Per Documented Information Control AIMS-PR-05 |

8. Performance indicators (KPIs)

| KPI | Target | Measurement frequency | Owner |
|--|----------------------------------|-----------------------|-----------------------|
| % of AI systems in Inventory with current classification | 100% | Quarterly | AI Compliance Officer |
| Median time from system identification to approved classification | <i>[Define]</i> ≤ X working days | Quarterly | AI Compliance Officer |
| Number of re-classifications per year | Tracked, no target | Annually | AI Compliance Officer |
| % of high-risk classifications with documented Art. 6(3) justification (where exception claimed) | 100% | Quarterly | AI Compliance Officer |

9. Review and update

This procedure is reviewed at minimum annually, and on an ad-hoc basis when:

- Amendments to AI Act Annexes I or III, or to Article 5 prohibited practices
- Publication of EU Commission guidelines on classification (notably the Article 6 guidelines due by 2 February 2026)
- Material changes in the Organisation's AI portfolio or business model
- Findings from internal audits (AIMS-PR-07) or competent authority interactions

10. Related procedures

| Code | Title | Relationship |
|------------|---|--|
| F05-02 | AI Risk Management Procedure | Downstream — risk assessment is calibrated to classification |
| F05-03 | AI System Impact Assessment Procedure | Downstream — FRIA triggered by certain classifications |
| F07-03 | Change and Substantial Modification Procedure | Upstream trigger for re-classification |
| F11-01 | Conformity Assessment Procedure | Downstream — applies to high-risk providers |
| AIMS-PR-01 | Context and Scope Definition Procedure | Upstream — defines AIMS boundaries |
| AIMS-PR-06 | Operational Planning and Control Procedure | Downstream — operational controls calibrated to classification |

Annex A — Requirements coverage matrix

This annex demonstrates how each section of this procedure addresses the relevant requirements of the AI Act and ISO/IEC 42001:2023.

Annex A.1 — AI Act coverage

| Procedure section | AI Act reference | How it is addressed |
|--|-------------------------------|---|
| §6.2 — Confirm AI system | Art. 3(1) | Definitional confirmation that the system falls within scope |
| §6.3 — Identify role | Art. 3(3)-(7), Art. 25 | Determination of provider / deployer / importer / distributor obligations |
| §6.4 — Prohibited practices screen | Art. 5 | Mandatory screening before any further activity |
| §6.5 — High-risk classification | Art. 6, Annexes I and III | Application of both classification paths and the Art. 6(3) exceptions |
| §6.5 — Documented non-high-risk assessment | Art. 6(4), Art. 49(2) | Required documentation and registration when claiming exception |
| §6.6 — Limited-risk transparency | Art. 50 | Identification of disclosure and labelling obligations |
| §6.7 — GPAI obligations | Arts. 3(63), 51, 53-55 | Identification of GPAI status and systemic-risk presumption |
| §6.9 — Documentation | Art. 11, Annex IV §1, Art. 18 | Classification feeds technical documentation; retention 10 years |

Annex A.2 — ISO/IEC 42001:2023 coverage

| Procedure section | ISO/IEC 42001 reference | How it is addressed |
|--|-----------------------------------|---|
| §6.8 — AIMS scope inclusion | Clause 4.3 | Determining boundaries of the AIMS |
| §6 (whole) — Risk-based approach | Clause 6.1 | Foundation for risk and opportunity actions |
| §6.2-6.7 — Lifecycle objectives | Annex A.6.2.2 | Objectives for AI system development depend on classification |
| §6.10 — Triggering downstream procedures | Annex B (implementation guidance) | Operationalising controls based on classification |
| §7 — Records | Clause 7.5 | Documented information for traceability |
| §9 — Review and update | Clause 9.1, Clause 10.2 | Performance evaluation and continual improvement |