

When to Involve Legal in Your AI Project

Ensuring legal involvement at the right stages of an AI project can prevent costly delays, compliance issues, and regulatory risks. This checklist outlines the key points in the AI project lifecycle where legal input is essential to guide smooth progress and innovation within safe boundaries.

Key Stages for Legal Involvement:

✓ 1. Project Ideation:

WHY INVOLVE LEGAL: At the earliest phase, when the AI solution is being conceptualized, legal should be engaged to identify potential regulatory or compliance issues before development starts. This will help prevent major obstacles down the line.

WHAT TO DISCUSS:

- Any sector-specific regulations (e.g., healthcare, finance)
- Data privacy requirements if personal or sensitive data is involved
- Potential liability concerns (e.g., AI-driven decisions that affect users)

ACTION STEP: Schedule a legal review to discuss any regulatory frameworks or compliance considerations that could affect project scope.

✓ 2. Vendor Selection and Contracts:

WHY INVOLVE LEGAL: When partnering with third-party AI vendors or service providers, legal should review all contracts and agreements to ensure that these external parties comply with your organization's data privacy and security standards.

WHAT TO DISCUSS:

- Terms of service, data sharing, and data ownership agreements
- Ensure Data Processing Agreements (DPAs) are in place for any vendors handling personal data
- Liability clauses for vendor non-compliance or data breaches

ACTION STEP: Perform a thorough contract review to ensure the vendor is aligned with your company's legal standards and compliance obligations.

✓ 3. Data Collection and Usage:

WHY INVOLVE LEGAL: Before any personal or sensitive data is collected, legal must review and approve the data usage policies to ensure compliance with relevant privacy laws (e.g., GDPR, CCPA).

WHAT TO DISCUSS:

- Consent forms and transparency around how data will be used
- Data minimization practices to ensure only necessary data is collected
- Data storage, retention policies, and how personal data will be protected

ACTION STEP: Legal should sign off on data collection policies, including mechanisms for user consent and data minimization protocols.

✓ 4. Before Model Deployment:

WHY INVOLVE LEGAL: Before deploying the AI model—especially if it impacts external stakeholders such as customers, employees, or users—legal should assess the model for compliance with relevant laws and regulations.

WHAT TO DISCUSS:

- Whether the AI decisions could lead to discriminatory outcomes or bias
- Compliance with sector-specific laws (e.g., financial regulations, healthcare data privacy)
- Review of the AI model's decision-making process for transparency and fairness

ACTION STEP: Organize a final pre-launch legal assessment of the AI model, reviewing ethical concerns, privacy issues, and any potential liabilities.



5. Post-Launch Audits:

WHY INVOLVE LEGAL: After the AI model is live, it is essential to schedule regular post-launch reviews with legal to ensure the system continues to comply with all applicable laws, and to address any risks or liabilities that may arise as the model evolves.

WHAT TO DISCUSS:

- Any new data privacy regulations or updates that impact AI
- Monitoring AI model performance for legal and ethical risks (e.g., bias, data breaches)
- Audit the AI decision-making process for ongoing transparency and fairness

ACTION STEP: Establish a routine post-launch audit schedule to ensure ongoing compliance and mitigate emerging risks.

A Structured Guide

This checklist provides a structured guide for AI teams to engage legal at critical points in the project lifecycle. Early and consistent legal involvement helps ensure regulatory compliance, mitigate risks, and empower AI innovation within safe, ethical frameworks.

ABOUT

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