

AI BALTICS

AI Regulation in the Baltics

Quick Guide · Estonia · Latvia · Lithuania

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About this guide

AI regulation in the Baltic states is evolving faster than most professional communications keep up with. This Quick Guide compiles, in one place, every national law and every relevant EU rule affecting businesses and developers in Estonia, Latvia, and Lithuania, current as of May 2026.

It is written by a practitioner — Dmitrijs Finaskins, a Java developer in Riga — for other practitioners. Not lawyers, not consultants, not regulators. The goal is to give you enough accurate context to make informed decisions and to know when you do need a lawyer.

Every law cited links to its original text. Where the original is only available in the national language, an English summary link is also included.

In a sentence per country

Latvia leads on legislation — the only Baltic state with a dedicated AI Centre Law (2025), specific criminal provisions for election deepfakes (up to 5 years imprisonment), and sector-specific financial AI regulation.

Estonia leads on investment — €85 million budgeted for AI between 2024 and 2026, the largest per-capita AI funding in the Baltics. Deliberately light on standalone legislation — relies on the EU AI Act as the horizontal framework.

Lithuania leads on institutional readiness — one of the first EU member states to formally designate both required competent authorities under the EU AI Act, and home to the region's only AI Factory (operational by 2027).

The single date you need to know

2 August 2026. That's when most provisions of the EU AI Act take effect — high-risk system requirements, transparency rules including the obligation to label AI-generated content, and the requirement for each member state to operate at least one AI regulatory sandbox.

Maximum fines: €35 million per violation, or 7% of global annual turnover, whichever is higher. For most Baltic businesses, the 7% figure matters more than the absolute cap.

The EU AI Act — phased rollout

The EU AI Act (Regulation 2024/1689) is directly applicable in all member states without national transposition. It is the single most important piece of AI regulation for anyone operating in the Baltics.

Date	What happens
1 Aug 2024	Act enters force. No specific obligations yet.
2 Feb 2025	Banned AI practices take effect. Six categories illegal across EU.
2 Aug 2025	Rules for General-Purpose AI models apply. Claude, ChatGPT, Gemini comply.
2 Aug 2026	Most remaining provisions. High-risk requirements. Transparency rules. Member-state sandboxes operational. Enforcement begins.
2 Aug 2027	Rules for high-risk AI in regulated products (Annex II) apply.
31 Dec 2030	Legacy large-scale IT systems must reach compliance.

Risk tiers under the Act

Tier	What it means	Examples
Unacceptable	Banned outright across the EU.	Social scoring, manipulative AI, untargeted face scraping, emotion recognition at work or school
High risk	Strict obligations: conformity assessment, human oversight, documentation.	AI in critical infrastructure, healthcare, education, employment decisions, law enforcement
Limited risk	Transparency only: disclose AI to users.	Chatbots, AI-generated text or images, synthetic media in customer-facing contexts
Minimal risk	No specific obligations.	Spam filters, recommendation engines, AI in video games

Latvia

The Baltic state with the most dedicated AI legislation

Latvia stands alone among the three Baltic states in creating standalone AI-specific legislation. While Estonia and Lithuania rely primarily on the EU AI Act, Latvia has passed five separate pieces of legislation between 2024 and 2026.

Five pieces of national legislation

1. AI Centre Law (March 2025)

Establishes the Latvian Artificial Intelligence Centre as a state-supported private-law foundation under the Ministry of Smart Administration and Regional Development (VARAM). The Centre coordinates public-private-academic cooperation, manages an AI regulatory sandbox, and provides expert opinions to state agencies. Latvia is one of very few EU countries with a dedicated institutional AI body established through specific legislation.

2. Criminal Law Article 90.1 — Election deepfakes (May 2024)

Criminalises the creation or dissemination of intentionally false, discrediting information about political parties or candidates using deepfake technology during election periods. Also criminalises using automated systems to prevent participation in elections, referendums, or European citizens' initiatives. **Penalties: up to 5 years imprisonment**, temporary imprisonment, probation, or community service.

3. Pre-election Agitation Law amendments (2024)

Mandatory disclosure of AI-generated content in political advertising. Voters must be told when they're interacting with synthetic media. Predates the EU AI Act's broader transparency rules.

4. Financial Market AI Act (September 2025)

Sector-specific regulation: AI in financial services must meet governance and risk management standards. Implements aspects of the EU's digital operational resilience framework. Directly relevant if you operate AI in Latvian banking, fintech, or investment services.

5. AI Sandbox Regulation (January 2026)

Cabinet regulation establishing detailed procedures for the AI Centre's regulatory sandbox: rules for participants, data access, safeguards, exit criteria. Companies can now apply to test AI solutions in a supervised environment.

EU AI Act implementation in Latvia

Market surveillance is distributed across up to 17 national agencies, including the Consumer Rights Protection Centre, Health Inspectorate, State Data Inspectorate, Civil Aviation Agency, and State Security Service — each responsible for their respective sector. The AI sandbox is operational.

Estonia

Light on AI-specific laws, heavy on AI investment

Estonia takes the lightest regulatory approach of the three Baltic states. No standalone AI law exists or is planned. The government relies on the EU AI Act for horizontal regulation and makes targeted amendments to existing sectoral laws where needed for automated decision-making.

Targeted sectoral updates rather than horizontal law

Taxation Act §46² (in force)

Authorises the Tax and Customs Board to issue administrative acts in an automated manner without direct intervention by an official, provided they are authenticated by an electronic seal. One of the earliest examples in the EU of a country creating a specific legal basis for AI in government services.

Environmental Charges Act §33■ (since January 2019)

Authorises the Environmental Board to issue automated administrative acts. Acts must be delivered via the environmental decisions information system.

Estonia's explicit position: "The European Union has made a framework for the implementation of responsible artificial intelligence. Estonia aims to build on the EU framework, not to start creating and arguing for it itself."

Where Estonia invests instead

AI and Data Action Plan (Kratt) 2024–2026

€85 million budgeted for AI and data work across public and private sectors. Named after the "Kratt" — a creature from Estonian folklore that does its master's work. Focuses on public-sector AI transformation, SME adoption, Estonian-language NLP, data governance, and EU alignment.

Data and Artificial Intelligence White Paper 2024–2030

Long-term strategic vision for a data-driven, AI-empowered Estonia by 2030. Produced by the Ministry of Economic Affairs and Communications with contributions from Justice, Education & Research, and the Government Office.

AI Leap (TI-Hüpe) Programme (2025)

National programme integrating AI tools and literacy into upper-secondary and vocational education. Estonia is the only Baltic state with a dedicated AI education programme at the secondary school level.

Lithuania

Institutional readiness, regional AI Factory

Lithuania does not have standalone AI legislation, but it was the most active of the three Baltic states in formally designating EU AI Act implementation bodies. It is also building the region's only AI Factory.

Amendments designating EU AI Act authorities (January 2025)

Lithuania amended its Law on Technology and Innovation and Law on Information Society Services to formally designate national competent authorities for the EU AI Act:

Innovation Agency — the notifying authority, responsible for conformity assessment of high-risk AI systems. Also hosts the national AI sandbox.

Communications Regulatory Authority (RRT) — market surveillance authority and single contact point. Monitors AI systems for compliance, investigates, enforces corrective actions, initiates recalls, and imposes penalties. This is the body with enforcement powers.

Lithuania was one of the first EU member states to formally designate both required competent authorities — ahead of the August 2025 deadline.

Action Plan for AI Development 2023–2026

Operational plan covering AI research, business adoption, training programmes, and infrastructure. Includes €7.5M+ allocated for SMEs during 2026–2028 to promote AI adoption and productivity.

AI Competence and Technology Centre (AI Factory)

Target operational date: **2027**. Will be the only AI Factory in the Baltic States, covering the full innovation development chain from idea to product. Brings together high-performance computing infrastructure, talent, data, and scientific knowledge.

Priority areas: cybersecurity and defence, personalised medicine, industrial automation, green transformation, energy, transport, public sector data.

AI Working Group in the Seimas

A working group within the Lithuanian Parliament's Committee on the Future, meeting with each ministry to assess AI implementation across government. Includes representatives from academia, business, and civil society. Direct parliamentary oversight of AI adoption is unique among the three Baltic states.

Three countries, three strategies

	LATVIA	ESTONIA	LITHUANIA
Standalone AI law	Yes — AI Centre Law (2025)	No	No
Deepfake criminal law	Yes — up to 5 years	No specific law	No specific law
Financial sector AI law	Yes — dedicated act (2025)	No specific law	No specific law
Election AI transparency	Yes — Pre-election Agitation Law (2024)	No specific law	No specific law
National AI body	AI Centre (foundation under VARAM)	No dedicated body	Innovation Agency + RRT
AI sandbox	Yes — operational	Yes — via Kratt	Yes — being established
AI education programme	University-level (UL regulations 2026)	Secondary schools (AI Leap, 2025)	No dedicated programme
AI public funding	Via AI Centre + EU funds	€85M (2024–2026)	€7.5M+ for SMEs (2026–2028)
EU AI Act authorities	17 agencies (distributed)	Partial — existing agencies	Innovation Agency + RRT (fully designated)
Unique strength	Only dedicated AI law	Largest per-capita AI funding	Only AI Factory in the Baltics (by 2027)

Latvia leads on legislation — the only Baltic state with a dedicated AI law, criminal deepfake provisions, and sector-specific financial AI regulation. The downside: 17 designated market surveillance agencies creates coordination complexity.

Estonia leads on funding and innovation — €85 million is the largest AI investment in the Baltics. The regulatory approach is deliberately light. Estonia also leads on AI education with the secondary-school AI Leap programme.

Lithuania leads on institutional readiness — among the first EU member states to formally designate both required competent authorities. The AI Factory (operational by 2027) will be a unique regional asset.

What this means for you

Three personas, three sets of next steps

If you USE AI tools (most readers)

Article 50 of the EU AI Act applies from August 2026: customer-facing AI must disclose itself. Chatbots need to say they are AI assistants. AI-generated text, images, or video shown to customers needs a label.

GDPR continues to govern any personal data your AI processes. The AI Act does not replace GDPR; it sits on top of it.

In Latvia: additional disclosure rules already apply for AI content in political advertising — relevant for anyone in marketing, communications, or campaign work.

If you BUILD AI systems

Determine whether your system falls into the high-risk categories in Annex III of the EU AI Act: critical infrastructure, education, employment decisions, law enforcement, healthcare, border management, justice.

If yes — you need conformity assessment, risk management documentation, human oversight procedures, and post-market monitoring before 2 August 2026. This is months of work, not weeks. Start now.

In Lithuania, the Innovation Agency handles conformity assessment. In Latvia, the AI Centre provides guidance. In Estonia, existing sectoral regulators apply the rules.

If you ADVISE clients (consultants, lawyers, accountants)

Audit client exposure across the five high-risk sectors: HR and lending decisions, healthcare, education, law enforcement, justice. These are where enforcement is most likely to land first.

For Latvian clients in finance: the Financial Market AI Act already applies. For Latvian clients in politics, media, or campaign work: Article 90.1 deepfake criminal liability applies year-round.

Pre-deadline checklist

Six actions to take before 2 August 2026

- 1 Inventory every AI system your organisation deploys**
Both customer-facing and internal. Include "shadow AI" — tools that employees use without IT's knowledge.
- 2 Classify each system against the EU AI Act risk tiers**
Use Annex III as the reference. Banned, high-risk, limited-risk, or minimal-risk.
- 3 For any high-risk system, start the conformity assessment conversation**
This takes months, not weeks. Don't wait until July.
- 4 For any customer-facing AI, plan the disclosure label**
Cheap to implement, no reason to delay. A line of text saying "I am an AI assistant" is enough for a chatbot.
- 5 Check sector-specific rules**
Latvia financial. Latvia elections. Possibly Estonia AI Leap if you're in education. Sectoral rules apply on top of the EU AI Act.
- 6 Subscribe to credible updates**
Regulation is evolving. AI Baltics publishes weekly updates at aibaltics.com — or follow any other source you trust.

Original sources

Direct links to every law and document referenced

Latvia

AI Centre Law (Latvian)

likumi.lv/ta/id/359339

Criminal Law — Art. 90.1 (Latvian)

likumi.lv/ta/id/88966

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Taxation Act §46² (English)

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Kratt Action Plan 2024-2026 (English summary)

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Country overview (English)

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Lithuania

Ministry AI policy page (English)

eimin.lrv.lt/en/sector-activities/digital-policy

EU AI Watch — Lithuania strategy report

ai-watch.ec.europa.eu/countries/lithuania

AI governance overview (English)

globallegalinsights.com — Lithuania

EU AI Act

Full legal text (Regulation 2024/1689)

eur-lex.europa.eu/eli/reg/2024/1689/oj

Implementation timeline

artificialintelligenceact.eu/implementation-timeline

Plain-language guide

artificialintelligenceact.eu

European Parliament summary

europarl.europa.eu — EU AI Act

About AI Baltics

AI Baltics is an English-language practical AI educational community for Estonia, Latvia, and Lithuania.

It is built by Dmitrijs Finaskins, a Senior Java/Spring Boot developer based in Riga. Not a lawyer. Not a consultant. A practitioner who reads the source material so you don't have to.

AI Baltics produces weekly written content, monthly webinars, and original research on practical AI for professionals across the Baltic states.

Stay updated

Weekly newsletter: Practical AI for the Baltics, one short email per week, no spam.

aibaltics.com

Monthly webinars: The next webinar covers AI in business — registration opens early June 2026.

aibaltics.com/events

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This Quick Guide reflects regulation current as of May 2026. AI regulation is evolving rapidly — verify the current status of any law before citing it in professional contexts. Updated periodically at aibaltics.com.