

## ***California's AI Bill Stalls Innovation: UAE Emerges as the New Hub for AI Startups***

FOR IMMEDIATE RELEASE

**Dubai, UAE, May 22, 2024** – Aspiring AI leaders, take heed: California's recently passed Senate Bill 1047 (SB 1047) threatens to cripple innovation with overly burdensome regulations. This legislation, while well-intentioned, throws a wrench into the growth of AI startups with its unrealistic requirements and stifling compliance costs. In this climate of uncertainty, the United Arab Emirates (UAE) stands out as a beacon of progress, offering a fertile ground for AI pioneers to flourish.

### **California's AI Bill: A Labyrinth of Red Tape**

SB 1047, on the surface, aims for responsible AI development. However, its implementation creates a labyrinth of red tape that disproportionately impacts startups. The bill mandates safety testing and certifications for large-scale models exceeding a computational threshold of  $10^{26}$  FLOPs (floating-point operations). This threshold translates to models costing well over \$100 million to train, a figure far beyond the reach of most young companies. Furthermore, the bill requires ongoing annual reviews and enforces compliance with robust cybersecurity measures, adding significant technical and financial burdens.

Arto Bendiken, CTO and co-founder at Haltia.AI, expressed his concerns: "California's SB 1047 is a prime example of how well-intentioned regulations can morph into a bureaucratic nightmare. These excessive requirements are practically impossible for startups to meet, and risk stifling innovation in its infancy. The financial penalties for non-compliance only exacerbate the issue, potentially deterring groundbreaking ideas before they even take flight."

### **The UAE Advantage: A Launchpad for Innovation**

The UAE, on the other hand, fosters a thriving AI environment built on collaboration and progress. The Dubai AI Strategy 2031 prioritizes innovation with a flexible regulatory framework, allowing startups to focus on developing groundbreaking ideas without getting bogged down in excessive paperwork. World-class infrastructure, including advanced data centers and high-speed connectivity, empowers AI development and deployment at scale.

The UAE government actively supports the AI sector through initiatives like the UAE AI Council and the Ministry of Artificial Intelligence. This commitment attracts global talent and fuels the growth of a dynamic AI ecosystem. Dubai's strategic location, at the crossroads of continents, grants startups unparalleled access to emerging markets and potential partners.



"California's AI regulations are strangling innovation in its crib. The UAE, on the other hand, is a breath of fresh air. Here, startups can focus on what truly matters: pushing the boundaries of AI and developing solutions that will shape the future. That's one of the many reasons why I've chosen Dubai as my homebase for the past 23 years. It's a launchpad, not a labyrinth." said Talal Thabet, CEO and co-founder, Haltia.AI

### **A Call to Action for AI Visionaries**

With California's AI ambitions on hold, the path is clear: Dubai offers a compelling alternative. AI startups seeking a supportive environment for responsible innovation and explosive growth should look East. Dubai's thriving ecosystem, coupled with its commitment to the future of AI, makes it the ideal launchpad for the next generation of groundbreaking AI technologies in the Silicon Valley of the East.

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### **About Haltia.AI:**

Founded by tech visionary and celebrated cypherpunk Arto Bendiken alongside entrepreneurial powerhouse Talal Thabet, Haltia.AI is on a mission to revolutionize industries and enhance quality of life through state-of-the-art AI solutions that prioritize user autonomy and data integrity. Talal, with 25 years of experience across multiple sectors and five successful exits from eight startups in less than twelve years, pairs with Arto's deep tech background to forge a unique leadership synergy that is both innovative and grounded in industry acumen.

Haltia.AI has proven it is a trailblazer in the world of personal AI, with its pioneering on-device platform built upon the bedrock of cypherpunk principles — privacy first. Haltia.AI's proprietary companions, Halford and Tiana, deliver an unprecedented level of efficiency and privacy in a world demanding ethical technology solutions, enabling the company to fulfill its promise to empower members to "live the life they imagined".

Headquartered in Delaware, USA, and with an operating subsidiary in the United Arab Emirates, the company is bolstered by an elite "dream team" of globally recognized experts and advisors from cutting-edge engineering to ethical coding.