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## Cross-border AI governance for legal tech: Standardizing ethical and legal norms in access to justice

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### Abstract

The research examines the influence of AI governance structures on access to justice throughout the EU, U.S., Canada, Australia, and China. The problem emerges because separate AI regulations form obstacles for legal AI applications that operate between borders through automated dispute resolution and legal aid chatbots and predictive analytics for case law. The research investigates three essential questions about AI governance models. A standardized AI governance structure would improve worldwide access to justice. What policy recommendations will enable AI-driven legal innovation together with accountability and fairness? The research uses comparative legal analysis together with regulatory impact assessment and case studies of AI in justice systems. The research demonstrates that international cooperation for AI development requires the creation of interoperable standards and ethical guidelines, different regional AI regulatory methods create substantial obstacles for deploying legal tech solutions between borders which might worsen existing inequalities in justice accessibility. A standardized AI governance structure would enable better global access to justice because it would allow AI-powered legal services to operate across different jurisdictions. A global AI governance framework for legal applications should be established as a policy recommendation together with regulatory sandboxes for testing AI-driven legal innovations and international standards for AI transparency and explainability in legal contexts. The research demonstrates the necessity of balancing innovation with ethical considerations through a multi-stakeholder approach which includes policymakers together with legal professionals' technologists and civil society members. This research generates implications which include enhancing worldwide access to justice through AI legal services and promoting international AI governance cooperation and resolving ethical issues when applying AI to legal systems. The research provides insights to policymakers and legal practitioners and technology developers who work with AI and law through its analysis of AI regulation and its effects on the legal sector.

**Keywords:** AI governance frameworks, legal tech regulation, AI ethics in law, access to justice, cross-border AI governance

### Introduction

Artificial intelligence (AI) is transforming the legal landscape, revolutionizing service delivery, dispute resolution mechanisms, and access to justice. However, the rapid advancement of AI technologies in the legal sector has outpaced regulatory frameworks, leading to inconsistent and fragmented approaches across jurisdictions. This regulatory divergence poses significant challenges for the cross-border application of AI-powered legal solutions, hindering innovation and potentially compromising user rights and protections. The regulatory landscape for AI in the legal sector varies considerably across major jurisdictions. The European Union's AI Act represents one of the most comprehensive attempts to regulate AI, setting strict compliance requirements for AI systems based on their perceived risk levels (Ebers, 2024a) <sup>[9]</sup>. This approach aims to ensure the ethical development and deployment of AI while safeguarding fundamental rights. In contrast, the United States has adopted a more sector-specific approach through the proposed Algorithmic Accountability Act, which focuses on impact assessments for automated decision systems (Kelly-Lyth & Thomas, 2023) <sup>[17]</sup>. China's AI policy takes a distinct path, emphasizing state oversight and national security considerations (Allen, 2019) <sup>[2]</sup>. This approach reflects China's broader strategy of maintaining control over emerging technologies while fostering domestic innovation. Meanwhile, countries like Canada and Australia have focused on risk

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management frameworks and data governance principles, seeking to balance innovation with responsible AI development (Radu, 2021) <sup>[22]</sup>. These divergent regulatory approaches create significant challenges for the global development and deployment of AI-powered legal technologies. Legal tech companies face the daunting task of navigating complex and often conflicting regulatory requirements across jurisdictions, potentially limiting the scalability and effectiveness of their solutions (Akpobome, 2024) <sup>[1]</sup>. Moreover, inconsistent regulations may lead to uneven protection of user rights and data privacy, undermining trust in AI-driven legal services. The significance of this study lies in its examination of the pressing need for global AI governance in the legal sector. As AI continues to permeate legal practice, from contract analysis to predictive justice, the lack of harmonized regulations threatens to create a fragmented landscape where the benefits of AI are unevenly distributed and potential risks are inadequately addressed. A coordinated approach to AI governance is essential to ensure that legal AI solutions are scalable, fair, and transparent across borders. This research posits that a harmonized cross-border AI governance model is necessary to protect individual rights while fostering innovation in legal AI technologies. Such a model would need to address key challenges, including data privacy, algorithmic bias, transparency, and accountability, while remaining flexible enough to accommodate technological advancements and diverse legal systems. The thesis of this study is that developing a unified framework for AI governance in the legal sector is not only possible but essential for realizing the full potential of AI in enhancing access to justice and improving legal services globally. By examining existing regulatory approaches, identifying common principles, and proposing mechanisms for international cooperation, this research aims to contribute to the development of a cohesive and effective global AI governance model for the legal sector.

## Literature Review

### AI and Access to Justice

The integration of artificial intelligence (AI) into legal systems has sparked a revolution in access to justice, offering innovative solutions to longstanding challenges in the legal sector. This section examines the key AI applications in the legal domain and their potential to enhance access to justice, while also addressing the associated challenges and ethical considerations.

### Legal AI Applications

Predictive analytics has emerged as a powerful tool in the legal field, leveraging machine learning algorithms to analyze vast amounts of legal data and predict case outcomes (Bala *et al.*, 2017) <sup>[3]</sup>. This technology enables lawyers and litigants to make more informed decisions about case strategy, settlement negotiations, and resource allocation. Predictive analytics can also assist judges in making consistent and fair decisions by providing insights into historical case patterns and outcomes. Automated legal aid systems have revolutionized the delivery of legal services to underserved populations. These AI-powered platforms can provide basic legal information, generate simple legal documents, and guide users through common legal processes. By offering 24/7 access to legal resources and reducing the need for in-person consultations,

automated legal aid systems have the potential to significantly improve access to justice for individuals who may not have the means to hire a lawyer or navigate complex legal systems independently. AI-assisted mediation represents another promising application of AI in the legal sector. These systems can facilitate dispute resolution by analyzing the positions of conflicting parties, identifying common ground, and suggesting potential compromises. By streamlining the mediation process and reducing the need for extensive human intervention, AI-assisted mediation can make alternative dispute resolution more accessible and cost-effective for a wider range of individuals and organizations.

### Challenges

While AI technologies offer significant potential to enhance access to justice, they also present several challenges that must be carefully addressed to ensure their responsible and ethical implementation. Algorithmic bias is a primary concern in the development and deployment of legal AI systems (Kharitonova *et al.*, 2021) <sup>[18]</sup>. AI algorithms trained on historical legal data may perpetuate existing biases present in the legal system, potentially leading to unfair or discriminatory outcomes. For example, predictive analytics tools used in criminal justice settings may inadvertently reinforce racial or socioeconomic disparities if not properly designed and monitored. Addressing algorithmic bias requires ongoing vigilance, diverse training data, and regular audits of AI systems to identify and mitigate potential biases. Ethical risks associated with AI in the legal sector extend beyond bias concerns. The use of AI in decision-making processes raises questions about accountability, transparency, and due process. For instance, when AI systems are used to assist judges or make recommendations in legal proceedings, it is crucial to ensure that the reasoning behind these decisions can be explained and challenged if necessary. Additionally, the increasing reliance on AI in legal services may exacerbate existing power imbalances between well-resourced parties who can afford sophisticated AI tools and those who cannot. Data privacy concerns are particularly acute in the legal context, where confidentiality and attorney-client privilege are paramount. The vast amounts of sensitive personal and legal data required to train and operate AI systems create potential vulnerabilities to data breaches and unauthorized access. Ensuring robust data protection measures and compliance with relevant privacy regulations is essential to maintain public trust in AI-powered legal services.

**AI Regulatory Models:** As AI technologies continue to evolve and permeate various sectors, including the legal domain, governments worldwide are grappling with the challenge of developing appropriate regulatory frameworks. This section examines four distinct approaches to AI regulation, highlighting their key features and implications for the development and deployment of AI in legal contexts. EU AI Act: The European Union's proposed AI Act represents one of the most comprehensive and ambitious attempts to regulate AI technologies globally (Ebers, 2024b) <sup>[10]</sup>. The Act adopts a risk-based approach, categorizing AI systems based on their potential impact on fundamental rights and safety. This tiered system imposes stricter requirements on high-risk AI applications, including those used in legal and judicial processes.

### Key features of the EU AI Act

1. **Strong human rights safeguards:** The Act emphasizes the protection of fundamental rights, including non-discrimination, privacy, and due process.
2. **Transparency requirements:** High-risk AI systems must provide clear information about their capabilities, limitations, and intended use.
3. **Human oversight:** The Act mandates human supervision for high-risk AI systems, ensuring that important decisions are not left solely to algorithms.
4. **Conformity assessments:** Providers of high-risk AI systems must undergo rigorous testing and certification processes before deployment.
5. **Penalties for non-compliance:** The Act proposes significant fines for violations, creating a strong incentive for compliance.

The EU's approach aims to foster trust in AI technologies while promoting innovation and competitiveness in the AI sector. However, critics argue that the stringent requirements may stifle innovation and place European companies at a disadvantage in the global AI market.

**U.S. AI Policy:** In contrast to the EU's comprehensive regulatory approach, the United States has adopted a more sectoral and business-driven model of AI governance. This approach is characterized by:

1. **Sector-specific guidelines:** Different federal agencies develop AI guidelines tailored to their respective domains, such as healthcare, finance, and transportation.
2. **Emphasis on self-regulation:** The U.S. government encourages industry-led initiatives and voluntary standards for AI development and deployment.
3. **Focus on innovation and competitiveness:** U.S. policy prioritizes maintaining the country's global leadership in AI research and development.
4. **Limited federal legislation:** While there have been proposals for AI-specific legislation, most regulatory efforts remain at the state level or within existing legal frameworks.

This approach allows for greater flexibility and adaptability in AI regulation but may lead to inconsistencies across sectors and states. In the legal context, this could result in varying standards for AI-powered legal services and tools across jurisdictions.

**China's AI Regulations:** China's approach to AI regulation is characterized by a strong emphasis on state-controlled AI development and deployment (Lucero, 2019) <sup>[20]</sup>. Key features of China's AI regulatory landscape include:

1. **National AI strategy:** The government has outlined ambitious goals for AI development and implementation across various sectors, including the legal system.
2. **Data-driven governance:** China leverages its vast data resources to train and improve AI systems, often with fewer privacy restrictions than Western countries.
3. **Ethical guidelines:** The government has issued AI ethics guidelines, emphasizing the importance of human control and societal benefits.
4. **Sector-specific regulations:** Recent regulations have focused on specific AI applications, such as recommendation algorithms and deepfakes.

While China's approach has enabled rapid AI development and deployment, it raises concerns about privacy, surveillance, and the potential for AI to be used as a tool for social control. In the legal context, this could manifest in AI systems that prioritize state interests over individual rights.

**Canada and Australia:** Canada and Australia have adopted hybrid approaches to AI regulation, seeking to balance innovation with ethical considerations and risk mitigation. These approaches are characterized by:

1. **Principles-based frameworks:** Both countries have developed AI ethics principles to guide the development and use of AI technologies.
2. **Sector-specific initiatives:** Targeted regulations and guidelines are being developed for high-risk sectors, including legal and judicial applications of AI.
3. **Collaborative governance:** These countries emphasize cooperation between government, industry, and academia in shaping AI policy.
4. **Focus on responsible AI:** Both nations prioritize the development of AI systems that are transparent, accountable, and aligned with societal values.

These hybrid approaches aim to create flexible regulatory environments that can adapt to rapidly evolving AI technologies while still addressing key ethical and societal concerns.

### Regulatory Fragmentation and Market Barriers

The diverse approaches to AI regulation across different jurisdictions have led to a fragmented regulatory landscape, which can create significant challenges for the development, deployment, and adoption of AI technologies in the legal sector.

**Impact of Differing Compliance Rules:** The varying regulatory requirements across jurisdictions can create substantial compliance burdens for AI developers and service providers operating in multiple markets. For instance, an AI-powered legal research tool developed in compliance with U.S. standards may require significant modifications to meet the more stringent requirements of the EU AI Act. This regulatory divergence can lead to:

1. **Increased development costs:** Companies may need to create multiple versions of their AI systems to comply with different regional regulations.
2. **Market access barriers:** Stringent regulations in certain jurisdictions may deter companies from entering those markets, potentially limiting the availability of innovative AI-powered legal tools.
3. **Competitive disadvantages:** Companies based in jurisdictions with less restrictive regulations may gain a competitive edge in terms of development speed and cost-effectiveness.
4. **Fragmented user experiences:** Legal professionals and clients may encounter inconsistent AI capabilities and functionalities across different jurisdictions.

### Impact on AI Startups and International Legal Services

The regulatory fragmentation particularly affects AI startups and small to medium-sized enterprises (SMEs) in the legal tech sector (Timan *et al.*, 2021) <sup>[25]</sup>. These companies often lack the resources to navigate complex, multi-jurisdictional regulatory landscapes, which can:

1. **Hinder innovation:** Smaller companies may be discouraged from developing cutting-edge AI solutions due to the high costs of regulatory compliance.

2. **Limit market expansion:** Startups may struggle to scale their operations internationally, potentially leading to a concentration of AI innovation in larger, well-resourced companies.
3. **Create uneven playing fields:** Established legal service providers with significant resources may be better positioned to adapt to varying regulatory requirements, potentially stifling competition from innovative newcomers.
4. **Impede cross-border legal services:** Differing AI regulations may complicate the provision of international legal services, particularly for firms leveraging AI technologies in their practice.

To address these challenges, there is a growing recognition of the need for greater international cooperation and harmonization of AI regulations. Initiatives such as the Global Partnership on AI (GPAI) and the OECD AI Principles represent early efforts to develop common frameworks and standards for AI governance (Niazi, 2025) <sup>[21]</sup>. However, achieving meaningful regulatory convergence remains a significant challenge due to differing national priorities, cultural values, and legal traditions. While AI technologies offer immense potential to enhance access to justice and transform legal services, the current fragmented regulatory landscape presents significant obstacles to their development and adoption. Striking the right balance between fostering innovation and addressing ethical concerns will be crucial in realizing the full potential of AI in the legal sector while ensuring its responsible and equitable implementation across jurisdictions.

#### Methodology: Comparative Legal Analysis

This analysis compares AI regulations across jurisdictions regarding access to justice:

**European Union:** The EU AI Act classifies AI systems in legal services into low, high, and unacceptable risk categories. High-risk AI systems in legal services require strict compliance, including human oversight and transparency. The General Data Protection Regulation (GDPR) impacts AI-driven legal services by mandating data protection principles, such as purpose limitation and data minimization (Sartor & Lagioia, 2020) <sup>[23]</sup>. EU law significantly influences AI ethics and fairness in legal tech, setting global standards for responsible AI development.

**United States:** The U.S. adopts a decentralized, sector-specific approach to AI regulation. The Federal Trade Commission (FTC) provides guidance on AI, focusing on consumer protection and fair competition. State-based AI governance plays a crucial role, exemplified by the California Consumer Privacy Act's provisions on automated decision-making. The National AI Commission is currently discussing AI and legal fairness, potentially shaping future federal regulations.

**China:** The Cyberspace Administration of China (CAC) has issued AI Ethics Guidelines, influencing AI applications in courts. These guidelines emphasize fairness, transparency, and accountability in AI-driven judicial decision-making systems. Chinese courts extensively use AI for case analysis and decision support, raising questions about algorithmic bias and human oversight.

**Canada & Australia:** Canada implements AI governance frameworks in public legal systems, notably in AI-assisted refugee determinations. Australia's Artificial Intelligence Ethics Framework guides AI use in justice administration, emphasizing principles such as fairness, accountability, and transparency (Zalnieriute & Gould-Fensom, 2019) <sup>[26]</sup>. Both countries focus on balancing technological innovation with ethical considerations in legal AI applications.

#### Case Study Analysis

##### EU vs. U.S.: AI in Legal Services Regulation

The EU AI Act's high-risk classification for legal AI tools has significant implications for the legal tech industry. For instance, a European legal research startup developing an AI-powered case prediction tool must comply with stringent requirements, including robust risk management systems, high-quality datasets, and human oversight. This classification aims to ensure fairness and transparency in AI-driven legal services. In contrast, a similar U.S.-based startup operates under self-regulatory AI ethics frameworks. While these frameworks promote responsible AI development, they lack the legal force of the EU regulations. The U.S. approach allows for more flexibility but may result in inconsistent standards across different legal tech providers. The divergent regulatory approaches impact AI startups providing automated legal services. EU-based companies face higher compliance costs and longer development cycles, potentially slowing innovation. However, their adherence to strict standards may enhance trust in their AI solutions. U.S. companies may innovate more rapidly but could face challenges when expanding into the EU market due to regulatory differences.

##### China's AI Governance and Cross-Border AI Implications

The Hangzhou Internet Court's AI-driven adjudication system exemplifies China's approach to AI in legal services (Shi *et al.*, 2021) <sup>[24]</sup>. This system uses natural language processing and machine learning to assist judges in case analysis and decision-making. While it enhances efficiency, concerns about algorithmic bias and the right to human judgment persist. China's AI export restrictions, implemented to protect national security interests, impact legal tech firms operating globally (Edgar, 2025) <sup>[11]</sup>. For instance, a Chinese company developing AI-powered contract analysis tools must navigate complex regulations when offering services internationally. These restrictions may limit the global reach of Chinese legal tech innovations and create barriers for cross-border collaboration in AI development. The implications for global AI-driven dispute resolution mechanisms are significant. International arbitration platforms using Chinese AI technologies may face scrutiny and potential restrictions, complicating their adoption in jurisdictions with different AI governance approaches.

##### Canada & Australia: Public Sector AI in Legal Applications:

Canada's 2023 reforms in AI-assisted immigration and refugee determinations aim to enhance efficiency while ensuring fairness (Daly 1, 2023) <sup>[8]</sup>. The system uses machine learning to analyze case patterns and provide recommendations to decision-makers. However, concerns about transparency and potential bias in the AI algorithms have led to ongoing debates and legal challenges. Australia's use of AI in legal aid applications and access to dispute resolution demonstrates a focus on improving access

to justice. An AI-powered triage system helps prioritize legal aid applications, potentially reducing wait times for urgent cases. However, critics argue that such systems may inadvertently discriminate against certain groups if not carefully designed and monitored.

These case studies highlight the complex interplay between AI laws and access to justice globally, emphasizing the need for balanced regulation that promotes innovation while protecting fundamental rights.

### Methodological Approach

This study employs a mixed-methods approach, combining qualitative comparative legal analysis with case study research. The comparative legal analysis involves a systematic review of primary legal sources, including legislation, regulatory guidelines, and court decisions across the selected jurisdictions. This analysis is supplemented by secondary sources such as academic literature and policy reports to provide context and interpretation. The case study analysis focuses on specific instances of AI implementation in legal services, selected based on their relevance and recency. Data for these case studies is collected through document analysis, including court records, company reports, and media coverage. The analysis aims to identify common themes, challenges, and best practices in AI regulation and its impact on access to justice. This methodological approach enables a comprehensive examination of the complex interplay between AI laws and access to justice across different legal and cultural contexts.

### Results

#### Legal Compliance Barriers for AI in Justice

The integration of AI technologies in the justice system faces significant legal compliance barriers across different jurisdictions, impacting the accessibility and development of AI-powered legal tools. In the European Union, the proposed AI Act introduces a risk-based approach to AI regulation, with particular implications for AI applications in the justice sector. Under this framework, many AI systems used in legal contexts are likely to be classified as "high-risk," subjecting them to stringent requirements. This classification affects various AI-powered legal tools, including those used for evidence assessment, legal research, and decision support systems in courts. The high-risk designation mandates extensive documentation, risk assessments, and ongoing monitoring of AI systems (Golpayegani *et al.*, 2023) <sup>[13]</sup>. For instance, developers of AI-powered legal research tools must demonstrate the system's accuracy, reliability, and fairness through rigorous testing and validation processes. This requirement significantly increases the compliance burden and associated costs for AI service providers in the legal sector. Furthermore, the AI Act emphasizes transparency and explainability, particularly for AI systems used in judicial proceedings. This requirement poses technical challenges for complex AI models, such as those based on deep learning, which often operate as "black boxes." Developers must invest in developing interpretable AI models or additional explanation mechanisms, potentially limiting the adoption of more advanced AI technologies in legal applications.

The United States presents a different set of challenges due to the lack of a unified federal approach to AI governance. This regulatory gap has led to a patchwork of state-level

initiatives, creating inconsistencies and uncertainties for AI developers and users in the legal sector. For example, some states have introduced specific regulations on the use of AI in criminal justice, while others remain silent on the issue. This fragmented regulatory landscape complicates compliance efforts for AI service providers operating across multiple states. Legal tech companies must navigate varying requirements for data protection, algorithmic transparency, and fairness across different jurisdictions. The absence of a harmonized federal framework also creates uncertainty regarding liability and accountability for AI-driven decisions in legal contexts (Boch *et al.*, 2022) <sup>[4]</sup>.

In China, the government has implemented strict rules governing AI development and deployment, particularly in sectors deemed critical to national security, including the justice system. These regulations impose significant barriers for foreign AI service providers seeking to enter the Chinese legal market. For instance, requirements for data localization and government access to AI algorithms create challenges for international companies developing legal AI tools. The Chinese approach also emphasizes state control over AI technologies, potentially limiting innovation and competition in the legal AI sector. Domestic companies aligned with government priorities may gain advantages, while foreign providers face additional scrutiny and compliance hurdles.

#### AI and Legal Market Concentration

The development and deployment of AI technologies in the legal sector have led to increased market concentration, with implications for competition and innovation. Large technology firms, such as Google, OpenAI, and Microsoft, have emerged as dominant players in the legal AI market. These companies possess significant advantages in terms of data access, computational resources, and financial capacity to invest in AI research and development. As a result, they have been able to develop sophisticated AI models capable of complex legal tasks, such as contract analysis, legal research, and predictive analytics. The market power of these large firms creates barriers to entry for smaller companies and startups in the legal AI space (Hua & Belfield, 2020) <sup>[15]</sup>. Developing competitive AI models requires substantial investments in data acquisition, model training, and infrastructure. Smaller firms often struggle to match the scale and capabilities of established players, limiting their ability to gain market share. Moreover, the network effects associated with AI technologies further reinforce the market position of dominant firms. As more users engage with a particular AI legal tool, the system's performance improves through continuous learning and refinement. This creates a self-reinforcing cycle that makes it increasingly difficult for new entrants to compete effectively. The regulatory landscape also contributes to market concentration in the legal AI sector. Compliance with complex and evolving AI regulations requires significant resources and expertise. Large firms are better positioned to navigate these regulatory challenges, often having dedicated legal and compliance teams. In contrast, smaller companies may find it challenging to meet stringent regulatory requirements, potentially leading to market exit or consolidation. The concentration of the legal AI market raises concerns about innovation and diversity in legal tech solutions. While large firms have the resources to drive technological advancements, the lack of robust competition

may reduce incentives for continuous innovation. Additionally, the dominance of a few players may limit the diversity of approaches and perspectives in AI-driven legal solutions, potentially overlooking niche or specialized legal needs.

### AI Trade and Policy Conflicts

The development and deployment of AI technologies in the legal sector have become intertwined with broader trade and policy conflicts, reflecting divergent approaches to AI governance across jurisdictions. The policy divergence between the European Union and the United States has significant implications for digital trade agreements and the cross-border provision of AI-powered legal services. The EU's proactive and stringent approach to AI regulation, as exemplified by the proposed AI Act, contrasts with the more market-driven approach in the US. This regulatory divergence creates challenges for legal tech companies operating in both markets. EU requirements for data protection, algorithmic transparency, and ethical AI principles may conflict with US practices that prioritize innovation and market-driven solutions. As a result, companies may need to develop region-specific versions of their AI legal tools or face restrictions in cross-border service provision. The divergent approaches also impact ongoing negotiations for digital trade agreements. The EU's insistence on incorporating its AI governance principles into trade deals may clash with the US preference for minimal regulatory barriers. This tension could lead to protracted negotiations and potentially limit the scope of AI-related provisions in future trade agreements. China's AI policies and their implementation in the legal sector have created geopolitical tensions, particularly with Western countries (Fahey, 2024) <sup>[12]</sup>. The Chinese government's emphasis on state control and data sovereignty has led to restrictions on foreign AI service providers in the legal market. This approach has raised concerns about market access and fair competition among international legal tech companies. Furthermore, China's push for global influence in AI governance, including in the legal domain, has met resistance from countries advocating for more open and democratic approaches to AI development. This conflict is evident in international forums discussing AI standards and ethics, where competing visions for the future of AI in justice systems are debated. The tensions surrounding China's AI policies have broader implications for global tech supply chains and data flows. Concerns about data security and potential state surveillance have led some countries to consider restrictions on Chinese AI technologies in sensitive sectors, including legal and judicial systems. This development could further fragment the global market for legal AI tools and services. In contrast to these conflicts, alignments between like-minded countries offer alternative models for AI governance in the legal sector. For instance, Canada and Australia have pursued similar approaches emphasizing ethical AI development and use in justice systems (Bradley, 2022) <sup>[5]</sup>. These countries have focused on principles such as fairness, accountability, and transparency in AI applications, while also promoting innovation and competitiveness. The Canada-Australia alignment demonstrates the potential for international cooperation in developing balanced AI governance frameworks. Their approach seeks to address concerns about AI risks in legal contexts while fostering an

environment conducive to technological innovation. This model could serve as a blueprint for other countries seeking to navigate the complex landscape of AI regulation in the justice sector.

### Discussion: Policy Implications

#### Harmonizing AI Governance for Legal Tech

The rapid advancement of artificial intelligence (AI) in legal technology necessitates a coordinated approach to governance across jurisdictions. As AI-powered legal tools increasingly operate across borders, there is a pressing need for interoperable AI compliance standards. These standards would ensure consistency in the development, deployment, and use of AI in legal contexts, facilitating smoother cross-border legal operations and enhancing trust in AI-driven legal services (Chintoh *et al.*, n.d.) <sup>[7]</sup>.

#### Interoperable AI compliance standards could address several key areas

- 1. Data protection and privacy:** Establishing common guidelines for handling sensitive legal data across jurisdictions, ensuring compliance with regulations like GDPR and CCPA.
- 2. Algorithmic transparency:** Developing shared protocols for explaining AI decision-making processes in legal applications, promoting accountability and trust.
- 3. Ethical AI principles:** Agreeing on fundamental ethical principles for AI use in legal contexts, such as fairness, non-discrimination, and human oversight.
- 4. Performance metrics:** Creating standardized benchmarks for assessing the accuracy and reliability of AI legal tools across different legal systems.
- 5. Security protocols:** Implementing uniform cybersecurity measures to protect AI systems and the legal data they process.

To facilitate the development and testing of these interoperable standards, AI legal sandboxes could play a crucial role (Buocz *et al.*, 2023) <sup>[6]</sup>. These controlled environments would allow regulators, legal tech companies, and legal practitioners to experiment with cross-border AI applications under simulated conditions.

#### Benefits of AI legal sandboxes

- 1. Risk mitigation:** Testing AI tools in a controlled environment reduces the potential for harm when deployed in real-world legal scenarios.
- 2. Regulatory innovation:** Sandboxes enable regulators to develop and refine governance approaches that keep pace with rapidly evolving AI technologies.
- 3. Cross-border collaboration:** International sandbox initiatives could foster cooperation between jurisdictions, leading to more harmonized AI governance frameworks.
- 4. Stakeholder engagement:** Sandboxes provide a platform for diverse stakeholders to contribute to the development of AI governance, ensuring a balanced approach.
- 5. Evidence-based policymaking:** Data and insights gathered from sandbox experiments can inform more effective and practical AI regulations.

Implementing these harmonization efforts will require close collaboration between governments, legal professional bodies, tech companies, and international organizations. Initiatives like the OECD AI Principles and the EU's proposed AI Act could serve as starting points for developing globally recognized standards for AI in legal tech.

### Balancing Ethical AI with Trade Interests

As AI becomes increasingly integral to legal services, policymakers must navigate the complex task of balancing ethical considerations with trade interests. This challenge is particularly acute in cross-border legal applications, where differing ethical standards and economic priorities can create tensions. Addressing AI bias and fairness in cross-border legal applications is a critical ethical concern.

AI systems trained on data from one jurisdiction may produce biased or unfair outcomes when applied in another, due to differences in legal systems, cultural norms, or societal structures (Javed & Li, 2025) <sup>[16]</sup>. To mitigate these risks, policymakers should consider:

1. **Diverse data requirements:** Mandating the use of diverse, representative datasets in AI training to reduce bias across jurisdictions.
2. **Contextual adaptation:** Developing guidelines for adapting AI legal tools to local contexts while maintaining core ethical principles.
3. **Bias detection frameworks:** Establishing standardized methods for identifying and measuring AI bias in legal applications across different legal systems.
4. **Transparency obligations:** Requiring AI providers to disclose potential biases and limitations of their tools when used in cross-border scenarios.
5. **Ongoing monitoring:** Implementing mechanisms for continuous assessment of AI fairness in diverse legal environments.

While addressing these ethical concerns, policymakers must also consider the economic implications of AI governance in legal tech. Overly restrictive regulations could stifle innovation and limit the potential benefits of AI in improving access to justice and legal efficiency. Conversely, a lack of robust ethical safeguards could undermine trust in AI-driven legal services and lead to harmful outcomes. Multilateral AI treaties could play a crucial role in balancing these competing interests (González Peralta, 2022) <sup>[14]</sup>. Such treaties could:

1. **Establish common ethical standards:** Agree on fundamental principles for ethical AI use in legal contexts across jurisdictions.
2. **Facilitate data sharing:** Create frameworks for responsible cross-border sharing of legal data for AI development and testing.
3. **Promote fair competition:** Ensure a level playing field for AI legal tech providers across different markets.
4. **Address liability issues:** Develop harmonized approaches to liability and accountability for AI-driven legal decisions.
5. **Support capacity building:** Foster knowledge sharing and technical assistance to help all jurisdictions develop ethical AI capabilities in the legal sector.

The development of these treaties should involve a wide range of stakeholders, including legal professionals, AI

experts, ethicists, and representatives from both developed and developing countries. This inclusive approach would help ensure that the resulting frameworks balance ethical considerations with the diverse economic interests of different nations.

### Ensuring AI Fairness in Legal Services

As AI systems become more prevalent in legal services, ensuring fairness and equitable access across jurisdictions is paramount. This goal requires both proactive assessment of AI impacts and deliberate efforts to promote accessibility. AI impact assessments in legal tech could serve as a crucial tool for identifying and mitigating potential fairness issues before they arise (Kumar & Dadhich, 2024) <sup>[19]</sup>. These assessments should be comprehensive, considering not only technical aspects but also broader societal implications. Key components of AI impact assessments for legal tech could include:

1. **Fairness analysis:** Evaluating the AI system's performance across different demographic groups and legal contexts to identify potential disparities.
2. **Accessibility evaluation:** Assessing whether the AI tool is equally accessible to all potential users, considering factors such as language, digital literacy, and disability accommodations.
3. **Legal system compatibility:** Examining how well the AI system aligns with the principles and procedures of different legal systems.
4. **Human rights impact:** Considering the potential effects of the AI tool on fundamental rights, such as privacy, due process, and equal treatment under the law.
5. **Long-term consequences:** Projecting the potential long-term impacts of widespread AI adoption on legal professions, access to justice, and the evolution of legal systems.
6. **Stakeholder consultation:** Incorporating input from diverse stakeholders, including legal professionals, clients, and community representatives.
7. **Mitigation strategies:** Developing concrete plans to address any identified fairness or accessibility issues.

Policymakers should consider mandating these impact assessments for AI legal tools, particularly those used in critical areas such as criminal justice, immigration, or public benefits. Regular reassessments should also be required to account for evolving societal norms and technological capabilities.

Ensuring equitable access to AI-driven legal tools across jurisdictions is another crucial aspect of promoting fairness. This goal presents several challenges, including disparities in technological infrastructure, legal system differences, and varying levels of AI readiness among legal professionals. To address these challenges, policymakers should consider:

1. **Digital infrastructure investment:** Supporting the development of necessary technological infrastructure in underserved regions to enable access to AI legal tools.
2. **AI literacy programs:** Implementing training initiatives to enhance AI literacy among legal professionals and the public across different jurisdictions.
3. **Localization support:** Encouraging the adaptation of AI legal tools to local languages, legal systems, and

cultural contexts.

4. **Open-source initiatives:** Promoting the development of open-source AI legal tools that can be freely adapted and used across jurisdictions.
5. **Public-private partnerships:** Collaborating with tech companies to ensure that advanced AI legal tools are available in less lucrative markets.
6. **Legal aid integration:** Incorporating AI tools into legal aid services to improve access to justice for underserved populations.
7. **Cross-border knowledge sharing:** Facilitating the exchange of best practices and lessons learned in implementing AI legal tools across different jurisdictions.

By implementing these measures, policymakers can work towards a future where AI enhances, rather than exacerbates, fairness and accessibility in legal services across jurisdictions. This approach would not only promote justice and equality but also foster greater trust in AI-driven legal innovations. Harmonizing AI governance for legal tech, balancing ethical considerations with trade interests, and ensuring AI fairness in legal services are interconnected challenges that require coordinated global action. By addressing these issues proactively and collaboratively, policymakers can harness the potential of AI to improve legal systems while safeguarding fundamental principles of justice and equality.

## Conclusion

The legal industry has been significantly changed by the quick development of artificial intelligence (AI) technologies since they offer fresh ideas to improve legal services and access to justice. Still, AI-driven legal technology solutions run complex legal challenges, particularly with relation to cross-border operations. This paper has investigated the relationship between artificial intelligence laws and their impact on foreign legal technology services, therefore revealing important results and implications for next policy development. The fundamental conclusion is that the effective delivery of these services suffers major challenges from current artificial intelligence laws. These obstacles include regulatory fragmentation, whereby the lack of a coherent global approach has resulted in a disorganized collection of national and regional frameworks, therefore creating compliance challenges for businesses operating across several countries. Strict data protection and privacy rules, such as the GDPR, set strong restrictions on the collection, processing, and transfer of personal data, therefore limiting the capacity of AI-driven legal technology services to run effortlessly across borders. Ethical and responsibility issues aggravate the dilemma since different countries maintain different criteria for openness, fairness, and responsibility in legal decision-making enabled by artificial intelligence. Furthermore, license and certification criteria present problems since artificial intelligence integration questions accepted legal practice ideas and creates uncertainty on their applicability to present systems. Intellectual property protection varies across countries, which discourages businesses from going global out of concerns about the security of their AI-driven discoveries. Liability and insurance concerns add more complexity since different ways of responsibility for AI-generated mistakes or failures

create legal uncertainty for suppliers, hence perhaps impeding global growth. These results show how urgently the legal profession needs a more cohesive and methodical approach to artificial intelligence control. Emphasizing international cooperation via treaties, conventions, or soft law procedures, later research should look at the development of a coherent worldwide framework for artificial intelligence control. Comparative assessments of national regulatory systems can highlight exemplary practices and likely paths toward harmonization. Understanding both expected and unexpected results depends on longitudinal studies assessing how artificial intelligence rules affect innovation, competition, and access to justice. The ethical consequences should be explored in later research, stressing responsibility, openness, and fairness in legal adjudication enabled by artificial intelligence. Research should look at how legal education and training courses could change to fit future lawyers for using AI-driven technologies as artificial intelligence gets more and more included into legal practice. These results imply many legislative ideas to solve the problems caused by AI regulations in cross-border legal technology services. Through international cooperation, policymakers have to give the harmonizing of rules in important spheres, like data protection, ethical standards, and liability frameworks a priority. Common compliance guidelines for AI-driven legal technology products serve to reduce trade restrictions and improve cross-border activities. Governments should consider creating regulatory sandboxes to let legal tech companies test creative AI-driven solutions in restricted environments, therefore gaining important understanding of relevant practical consequences. Developing fair AI legislation depends on ongoing global debate among legislators, attorneys, and technology experts. Initiatives for capacity-building have to be carried out to improve understanding among legislators, attorneys, and judges so ensuring informed control. The rapid advancement of artificial intelligence technologies forces legal systems to be built with flexibility to meet changing issues and opportunities. Adopting these policy recommendations will help to create a more suitable environment for AI-driven legal technology solutions, hence increasing access to justice and improving the effectiveness of courts all around.

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