**Checklist – *Artificial Intelligence (AI) and Contract Drafting***

Muistilista tehty neutraalista näkökulmasta tilanteeseen, jossa yhtiön työntekijöitä ohjeistetaan tekoälysovelluksen käytöstä yrityksen sopimusluonnosten laatimisessa.

**HUOM.! Tämä muistilista ei ole kattava eikä sellaisenaan ole riittävä ohjeistus käytännön tilanteisiin. Ohjeistuksen käyttö yritystoiminnassa vaatii juridisen asiantuntijan tarkistusta ja korjauksia.**

 ***DRAFT 0.1 - January \_\_, 20\_\_***

**Use of Artificial Intelligence (AI) in Contract Drafting**

* ***some considerations 1/2024***

***Introduction:***

Artificial intelligence (AI) can and is already widely used in the process of drafting various contracts. AI can analyze large amounts of data and legal documents. In theory, AI can also quickly and efficiently draft contracts, and AI users can hope to do without lawyers or at least save significantly on their legal fees. In particular, AI can succeed in producing standard contractual clauses (e.g. confidentiality clauses, force majeure, dispute resolution clauses). On the other hand, AI can produce the key content clauses of the contract with varying results so far, and sometimes the draft provided by AI may be completely unsuitable for its intended purpose.

***Problem areas of contract use of AI:***

* *Limited understanding.* AI models lack the human intuition and judgment needed to understand the nuances of certain contractual clauses and build consensus between the parties. One contractual term may be perfect for one party because of its particular way of doing business, but destructive for another. Who will perceive this and ensure that AI takes these nuances into account?
* *Processing of individual cases.* AI is poorly able or does not recognize new circumstances or special needs in a single case.
* *Ethical concerns*. Who is responsible for the code that supports AI output? What biases could have been transferred to AI? What possible erroneous initial assumptions end up in the draft?
* *Responsibilities*. The errors generated by AI can be costly. Who is liable for inappropriate and incorrect contractual clauses in the event of defects? Usually, unclear clauses are interpreted to the detriment of the author, i.e. the AI user would be responsible for their ambiguities.
* *Changing legislation.* New legislation restricting or guiding contract making is constantly increasing, and so far, AI is not able to take new laws and regulations into account on a monthly or even annual basis.
* *Changing case law.* There are more and more new cases concerning contracts and companies, and so far, AI is not able to take into account new case law on a monthly or even annual basis. In addition, it should be noted that AI has even in some cases created/invented completely fictitious legal cases and presented them to the AI user as real cases.

***How to use an AI app:***

Prompting (writing prompts/feeds). In the context of AI, prompting refers to providing input, usually in the form of text, to the language model of AI, which then produces a relevant response or result based on the input provided. A specific and contractually accurate prompt is essential, if AI is to be used to produce usable draft contracts. The better the AI user is familiar with contract law, the better prompts they will be able to write. A well-crafted prompt reduces the risk of error and ambiguity and produces better AI contract drafts.

***AI Final Output Check:***

Reviewing the draft contract produced by AI and assessing its usability requires experience in drafting contracts and expertise in contract law. The user of AI must be able to assess whether the draft contract produced by AI is the right contract type in general, and also suitable for his or her needs in this particular contract category, and whether any special circumstances of his or her company have been adequately taken into account in the draft.

***Summary:***

With the help of AI, preliminary draft contracts can be created quickly and inexpensively. How good and functional they are depending on the AI user's ability to write prompts to the AI, as well as the ability to review and modify the draft agreement provided by AI into a usable version.