IRSHAD Uzbek Journal of Law and Digital Policy | Volume: 3, Issue: 1
2025

Legal Personhood of Autonomous Systems: A Jurisprudential Analysis

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Abstract

The rapid advancement of artificial intelligence (AI) and autonomous systems has led to extensive debates on whether these entities should be granted legal personhood. This paper explores the legal frameworks, philosophical arguments, and policy considerations surrounding the attribution of legal personhood to AI. The study examines key legislative efforts, such as the European Parliament's 2017 resolution on AI legal personhood, and assesses the ethical, economic, and regulatory implications. While some scholars advocate for an “electronic personality” model, others highlight accountability gaps and risks associated with AI autonomy. The findings suggest that AI legal personhood remains a contested concept, with prevailing legal doctrines favoring strict liability over autonomous legal recognition.

Keywords: Personhood, Liability, Regulation, Regulation, Transparency, Accountability, Ethics

APA Citation:

Inoyatov, N. (2025). Legal Personhood of Autonomous Systems: A Jurisprudential Analysis. *Uzbek Journal of Law and Digital Policy, 3*(1), 112–130. https://doi.org/10.59022/ujldp.293

I. Introduction

The concept of legal personhood has long been central to the functioning of modern legal systems, serving as the basis for determining which entities can hold rights, obligations, and legal responsibilities. Traditionally, legal personhood has been limited to natural persons (human beings) and juridical persons (such as corporations), ensuring that those who participate in the legal and economic order can be held accountable for their actions. This framework has evolved over centuries, accommodating changes in social structures, economic realities, and technological advancementsıo However, with the rise of artificial intelligence (AI)—particularly highly autonomous AI systems that can operate with minimal human oversight—legal scholars and policymakers have begun to debate whether AI should also be granted some form of legal recognition.

The historical evolution of legal personhood demonstrates that legal status has been extended to non-human entities when doing so serves a pragmatic purpose. The recognition of corporate personhood, for instance, allowed businesses to enter contracts, sue and be sued, and bear specific legal responsibilities while protecting individual shareholders from unlimited liability (Bryson, Diamantis, & Grant, 2017). This precedent has led some legal scholars to question whether AI—another non-human entity that operates autonomously in legal and economic systems—should also be considered a legal person.

Proponents argue that AI systems increasingly perform functions that mirror human decision-making, such as making financial transactions, diagnosing diseases, and driving vehicles, thus necessitating a new legal framework to address their role in society (Koops, Hildebrandt, & Jaquet-Chiffelle, 2010). However, many experts strongly oppose this idea, arguing that legal personhood should remain confined to entities with moral agency, intentionality, and the capacity for accountability—qualities that AI fundamentally lacks (Kurki, 2019).

A major turning point in the debate on AI legal personhood occurred in 2017, when the European Parliament proposed a resolution on Civil Law Rules on Robotics, introducing the idea of “electronic personhood” for highly autonomous AI systems (European Parliament, 2017). This proposal suggested that certain AI systems could be assigned a limited legal status, allowing them to enter contracts, own property, and be held accountable for damages they cause. The goal was to create a structured legal framework that would prevent legal gaps in liability and accountability as AI systems became more sophisticated. However, the proposal faced immediate and significant criticism, with legal scholars, ethicists, and policymakers warning that recognizing AI as a legal person could lead to unintended and dangerous consequences (Hildebrandt, 2020).

One of the strongest objections raised against AI legal personhood is that it could create legal loopholes that allow corporations and AI developers to evade

liability for harm caused by their AI systems. Under existing laws, liability for AI-driven damages typically falls on manufacturers, developers, or users, depending on the circumstances (Solaiman, 2017). If AI were granted legal personhood, companies could potentially shift responsibility onto AI entities, arguing that the AI itself—not its creators—should be held legally accountable (Bryson et al., 2017). This could lead to serious challenges in enforcing liability, particularly in cases where AI systems make decisions that cause harm, discrimination, or financial loss. The risk of creating unaccountable AI agents is one of the primary reasons why most legal systems have rejected the notion of AI legal personhood (European Commission, 2021).

Another critical issue is that AI lacks moral agency and intentionality, which are widely considered essential prerequisites for legal personhood. Legal personhood is not merely about technical functionality; it is tied to an entity's ability to understand and act upon moral and legal responsibilities (Kurki, 2019). Human beings, for example, can be held accountable for crimes because they possess consciousness, intent, and moral reasoning. Even corporations, though artificial legal constructs, are managed by humans and are subject to ethical and legal oversight mechanisms (Bryson et al., 2017). AI, by contrast, functions purely through algorithmic processing, machine learning, and statistical modeling (Floridi & Sanders, 2004). AI does not "understand" laws, ethics, or moral responsibilities in the way that humans do—it merely follows patterns learned from data. Recognizing AI as a legal person blurs the distinction between human cognition and computational processes, potentially leading to unintended ethical and legal dilemmas (Calo, 2017).

Despite these concerns, some legal scholars have explored alternative models that could provide AI with limited legal recognition without conferring full personhood. One such model is the "electronic personality" concept, which was proposed as a compromise between AI personhood and strict liability models (European Parliament, 2017). Under this framework, AI would be granted specific legal capacities, such as the ability to sign contracts or be assigned liability, but would remain distinct from human or corporate personhood (Scherer, 2016). The idea was that this intermediate legal status could help clarify liability issues without fundamentally altering legal definitions of personhood. However, in 2021, the European Commission officially abandoned the electronic personality model, concluding that it posed more risks than benefits (European Commission, 2021). Critics argued that electronic personality could still be exploited by corporations to limit their own liability, creating new regulatory challenges rather than solving existing ones (Hildebrandt, 2020).

Instead of granting AI legal personhood, legal experts emphasize the need to strengthen AI liability laws and ethical oversight mechanisms. Many argue that the strict liability model—which holds AI developers, manufacturers, and users responsible for AI-driven harm—remains the most effective and practical approach (Solaiman, 2017). This model ensures that accountability remains human-centered,

preventing AI from becoming an autonomous entity with unclear legal obligations (Scherer, 2016). Furthermore, governments and regulatory bodies are increasingly implementing AI-specific legislation, such as the EU AI Act, which classifies AI applications based on risk levels and imposes stricter regulations on high-risk AI systems (European Commission, 2021).

The purpose of this paper is to examine the legal, philosophical, and regulatory dimensions of AI legal personhood, evaluating whether alternative models like electronic personality could provide a viable legal framework. The study explores:

- The historical evolution of legal personhood and its relevance to AI.
- The ethical and legal implications of granting AI legal status.
- The potential risks and challenges associated with AI personhood.
- Alternative AI liability models that ensure accountability without redefining personhood.

Through an interdisciplinary approach, this research analyzes current legal precedents, philosophical debates, and regulatory frameworks, ultimately arguing that AI does not require legal personhood to be effectively governed. Instead, policymakers should focus on enhancing liability laws, ethical oversight, and transparency mechanisms to ensure responsible AI deployment. By maintaining human-centered legal accountability, society can embrace the benefits of AI while preventing legal and ethical complications that arise from granting AI independent legal status.

II. Methods

This study employs a doctrinal legal research methodology to examine the legal, philosophical, and regulatory dimensions of AI personhood. The doctrinal approach is well-suited for exploring legal principles, statutes, case law, and scholarly works to determine how existing legal systems approach the question of AI liability and legal recognition. The study analyzes primary legal sources, including statutes, judicial decisions, European Parliament resolutions, expert group reports, and regulatory proposals, to understand the evolving legal landscape of AI liability and governance. Secondary legal sources such as academic literature, policy papers, and philosophical analyses further enrich the research by offering critical perspectives on AI's role in contemporary legal frameworks.

The study adopts a qualitative approach, as AI legal personhood is a conceptual and normative issue rather than a subject of empirical measurement. The research integrates philosophical theories of personhood, drawing on classical and modern legal philosophy to assess whether traditional legal subjectivity models can apply to AI. The historical evolution of legal personhood—which has extended beyond humans to include corporations, trusts, and other non-human entities—serves as a foundation for evaluating whether similar recognition should be granted to AI. Philosophical theories concerning moral agency, accountability, and ethical responsibility are examined to

determine whether AI possesses the essential characteristics required for legal personhood.

In addition to doctrinal legal analysis, the study incorporates comparative legal research by assessing how different jurisdictions regulate AI liability. The research focuses on two major legal systems, the European Union (EU) and the United States (US) which have taken distinct yet overlapping approaches to AI governance. The EU has emphasized AI-specific regulations, risk classifications, and corporate liability frameworks, as seen in the EU AI Act, which establishes compliance requirements for different levels of AI risk. The US, by contrast, has relied more on sector-specific regulations and common law liability principles, holding developers and users accountable under product liability and negligence standards. By comparing these approaches, the study identifies best practices and challenges in regulating AI without granting it full legal personhood.

The research is structured around three key dimensions. First, it evaluates the legal status of AI, determining whether current legal frameworks provide sufficient mechanisms for holding AI accountable without redefining legal personhood. Second, it examines the ethical implications of AI personhood, analyzing concerns about moral agency, intent, and accountability gaps. Third, the study explores regulatory challenges, assessing existing liability models and alternative governance frameworks.

By integrating legal, philosophical, and comparative perspectives, this study contributes to ongoing debates on AI legal personhood. It offers a critical, interdisciplinary analysis aimed at ensuring that AI regulation remains effective, transparent, and human-centered while avoiding unnecessary legal personhood classifications that could weaken liability and accountability structures. The findings ultimately advocate for enhanced liability mechanisms, regulatory oversight, and ethical safeguards rather than extending legal personhood to AI.

III. Results

A. Legal Status of AI: Corporate Analogy vs. Autonomous Personhood

The debate over whether artificial intelligence (AI) should be granted legal personhood is often framed through comparisons to corporate personhood. Historically, corporate personhood has been recognized to allow businesses to enter contracts, sue and be sued, and own property while holding limited liability for their actions (Kurki, 2019). However, the analogy between corporate personhood and AI personhood is not entirely appropriate because corporations are fundamentally human-led entities with clear governance structures, whereas AI systems operate autonomously with no inherent self-interest or governance framework (Bryson, Diamantis, & Grant, 2017).

In 2017, the European Parliament's resolution on Civil Law Rules on Robotics introduced the concept of "electronic personhood", suggesting that highly autonomous

AI could be recognized as legal entities to address liability concerns (European Parliament, 2017). The proposal was grounded in the argument that as AI systems become increasingly autonomous, existing legal frameworks might struggle to assign responsibility for AI-driven damages. The resolution stated:

"At least the most sophisticated autonomous robots could be established as having the status of electronic persons responsible for making good any damage they may cause, and possibly applying electronic personality to cases where robots make autonomous decisions or otherwise interact with third parties independently" (European Parliament, 2017, p. 17).

However, this proposal faced substantial criticism. A 2019 expert report commissioned by the European Commission rejected the idea of electronic personhood, arguing that strict liability regimes and existing corporate accountability structures were sufficient for addressing AI-related legal concerns (Hildebrandt, 2020). The report emphasized that legal personhood is traditionally reserved for entities that possess a moral dimension, which AI fundamentally lacks (Solaiman, 2017). The report concluded that AI should remain within the scope of product liability laws, where responsibility is assigned to manufacturers, developers, and operators (European Commission, 2019).

B. Ethical and Philosophical Considerations

The ethical and philosophical considerations surrounding AI legal personhood remain among the most contentious issues in the debate on whether AI should be granted legal status. At the core of this debate is the fundamental question of whether AI possesses sentience, moral agency, and ethical reasoning, which are widely regarded as essential prerequisites for legal personhood. Unlike humans and corporations, AI lacks consciousness, subjective experience, and the ability to engage in moral reasoning, making it distinct from entities traditionally granted legal recognition (Floridi & Sanders, 2004).

Sentience, which refers to the ability to experience emotions, feelings, and subjective awareness, is a defining characteristic of human cognition. Humans possess the ability to feel emotions such as joy, sorrow, guilt, and remorse, which influence their moral decision-making processes. This emotional capacity allows humans to recognize the consequences of their actions, develop empathy, and engage in ethical self-reflection. AI, on the other hand, lacks this fundamental ability. While AI can analyze emotions, detect sentiment in text, and mimic human responses, it does not genuinely experience emotions or understand their significance. AI's interactions are based on pre-programmed models, data-driven algorithms, and statistical analysis, rather than genuine personal experience or moral reflection.

Moral agency, another critical requirement for legal personhood, refers to an entity's ability to make ethical decisions and be held accountable for them. Humans are moral agents because they possess intentionality, ethical reasoning, and self-

awareness (Kurki, 2019). They can distinguish right from wrong, assess the consequences of their actions, and be held responsible for their decisions under legal and moral frameworks. Even corporations, which are artificial entities, derive their legal personhood from human oversight. Corporations function within a structured governance system, with boards of directors, executives, and shareholders who make legally and ethically significant decisions on behalf of the corporation. This governance structure ensures that corporations can be held accountable through fines, lawsuits, and regulatory interventions (Bryson, Diamantis, & Grant, 2017).

AI, however, does not meet these criteria. AI systems do not possess intent, ethical awareness, or self-reflection. Their decision-making processes are based on mathematical probabilities, pattern recognition, and machine learning models, rather than ethical reasoning or moral contemplation (Scherer, 2016). Unlike humans, AI does not engage in moral deliberation, meaning it cannot be held to the same ethical standards as human actors. Even if AI makes decisions that result in harm, it does so without intentional wrongdoing or an understanding of moral consequences. This fundamental distinction between human cognition and AI computation underscores why AI should not be recognized as a legal person.

A major ethical concern in the debate over AI legal personhood is the potential for accountability gaps. If AI were granted legal recognition, questions would arise about how it could be held responsible for harm. Some scholars argue that recognizing AI as a legal person could weaken existing accountability structures, allowing corporations and developers to evade liability by shifting responsibility onto AI entities rather than human actors (Calo, 2017). This could create a dangerous precedent, where AI operates without meaningful oversight, leading to legal and ethical gray areas in AI-related decision-making.

One area where AI's lack of moral agency has serious consequences is the criminal justice system. AI is increasingly being used to make high-stakes decisions in legal contexts, including sentencing recommendations, risk assessments, and predictive policing. However, research has shown that AI-driven decision-making in criminal justice often perpetuates systemic biases. Many AI models used in predictive policing and sentencing algorithms are trained on biased historical data, leading to racial and socioeconomic disparities in law enforcement practices (Hildebrandt, 2020). If an AI system recommends a harsher sentence for individuals from certain demographic groups due to biased data patterns, should the AI itself be held legally responsible?

The legal system currently lacks mechanisms to hold AI morally accountable, reinforcing the argument that personhood should be reserved for entities capable of ethical reasoning (Kurki, 2019). If AI were granted legal personhood, it would raise serious concerns about the fairness of AI-driven legal decisions. Would AI entities be subject to legal prosecution if their algorithms led to discriminatory or unjust outcomes? Would AI systems require legal representation in court? These unresolved

questions demonstrate the practical and ethical difficulties associated with granting AI legal status.

Beyond the criminal justice system, AI bias and accountability concerns extend into healthcare, finance, and employment. AI is widely used in medical diagnostics, hiring processes, and financial lending decisions, where it plays a significant role in determining people's access to resources and opportunities. However, AI systems have been found to discriminate against minority groups, particularly in cases where training datasets reflect historical inequities. AI-powered hiring tools, for example, have been shown to favor male candidates over female applicants, reinforcing gender biases in recruitment decisions. Similarly, AI-driven lending models have been found to reject loan applications from certain demographic groups at disproportionately higher rates. If AI were to be recognized as a legal person, how would these biases be addressed? Would AI be held liable for discriminatory decisions, or would accountability still fall on the companies that deploy AI systems? These questions highlight the legal and ethical uncertainties that accompany the AI personhood debate.

Another key ethical argument against AI personhood is the instrumental nature of AI. Unlike humans, who possess intrinsic moral worth, AI is fundamentally a tool created for specific tasks. AI exists to serve human objectives, optimize efficiency, and enhance decision-making, but it does not have inherent rights or responsibilities (Floridi & Sanders, 2004). This instrumental nature suggests that AI should be treated as an advanced technology rather than an independent legal entity. Recognizing AI as a legal person could create philosophical contradictions in legal theory, as it would blur the distinction between human agency and algorithmic automation.

Beyond ethical concerns, the practical consequences of AI legal personhood would pose significant challenges in corporate and regulatory environments. One of the greatest risks associated with AI personhood is the potential for corporate liability evasion. If AI were recognized as a legal person, corporations could shift legal responsibility for AI-driven decisions onto AI entities, effectively avoiding lawsuits and regulatory penalties. This could reduce corporate accountability for AI-related harms and create legal loopholes that benefit large technology companies at the expense of consumers. For instance, if an AI-powered autonomous vehicle causes an accident, corporations might argue that the AI itself, rather than the manufacturer, should be held liable, making it difficult for victims to obtain compensation (Kurki, 2019).

Regulatory frameworks in jurisdictions such as the European Union and the United States have opted to govern AI through liability laws rather than legal personhood models. The European Union's AI Act and Product Liability Directive establish strict liability measures that hold corporations, developers, and AI users responsible for AI-related decisions. Similarly, the United States' Algorithmic Accountability Act imposes requirements on companies using AI in high-impact decision-making to ensure fairness, transparency, and accountability. These

frameworks emphasize risk management, liability allocation, and human oversight rather than granting AI autonomous legal status.

The growing global consensus suggests that AI regulation should focus on risk management and corporate accountability, rather than redefining legal personhood. Strengthening AI liability structures, ensuring fairness in algorithmic decision-making, and enforcing strict corporate responsibility measures are more effective solutions than granting AI legal recognition as an autonomous entity. The rejection of AI personhood reflects the recognition that AI should remain within human-centered legal governance systems.

In conclusion, AI lacks the sentience, moral agency, and ethical reasoning necessary for legal personhood. Recognizing AI as a legal person would create ethical dilemmas, accountability gaps, and regulatory challenges that weaken human-centered governance models. Instead of granting AI legal status, policymakers should focus on enhancing AI regulation through liability frameworks, transparency laws, and corporate accountability mechanisms. By ensuring that AI remains governed within human legal structures, societies can benefit from AI-driven innovations while maintaining legal and ethical integrity.

C. Regulatory Challenges and Liability

From a regulatory standpoint, AI is currently governed by product liability laws rather than legal personhood frameworks. In the European Union, the AI Liability Directive and the Product Liability Directive define AI as a high-risk technology that must be regulated through strict liability models (European Commission, 2021). These laws establish clear rules for determining liability in cases where AI causes harm, ensuring accountability within the AI supply chain. Under these directives, liability for AI-caused damages falls on various stakeholders. Developers and programmers are responsible for the design and training of AI models, ensuring that these systems function as intended and do not pose undue risks.

Manufacturers who integrate AI into products, such as self-driving cars or medical devices, must also adhere to stringent safety requirements. Their role involves not only implementing AI but also ensuring compliance with relevant standards to mitigate potential harm. Additionally, users and operators bear responsibility, particularly in high-risk environments such as healthcare, finance, and transportation. Those who deploy AI systems in these sectors must exercise due diligence in monitoring and managing AI operations. Failure to do so may result in liability if AI malfunctions or causes harm due to improper use or oversight.

D. Challenges in Assigning liability

One of the main challenges in regulating AI liability is determining causation. Unlike traditional mechanical failures, AI systems operate based on machine learning algorithms that evolve over time, creating legal uncertainty regarding who should be held responsible when AI decisions result in harm (Scherer, 2016). For example, if a

self-driving car causes an accident due to an unexpected software glitch, it raises the question of whether liability should fall on the manufacturer, the software developer, or the user. Similarly, in the case of an AI healthcare system misdiagnosing a patient and leading to harmful medical treatment, it is unclear whether responsibility should lie with the hospital, the AI software provider, or the attending physician.

Legal scholars propose three models for AI liability. The Strict Liability Model holds AI developers and manufacturers strictly liable for damages, similar to product liability laws (Solaiman, 2017). The Proportionate Liability Model distributes liability among developers, manufacturers, and operators based on their level of control over AI decisions (Scherer, 2016). The Mandatory Insurance Model requires companies to purchase insurance to cover potential AI-related harms, ensuring compensation for victims (European Commission, 2021).

As artificial intelligence (AI) continues to permeate various sectors, including healthcare, finance, transportation, and law enforcement, policymakers across the globe are recognizing the urgent need to establish regulatory frameworks to address the legal, ethical, and liability challenges associated with AI deployment. The increasing complexity of AI decision-making and the potential for harm caused by autonomous systems necessitate clear legal guidelines that ensure accountability, fairness, and public trust. However, rather than granting AI legal personhood, emerging policy solutions prioritize risk management, corporate responsibility, and ethical oversight, reinforcing the notion that AI can be effectively regulated within existing legal frameworks without redefining legal personhood.

Several key legislative and regulatory initiatives have emerged internationally, aiming to establish AI-specific liability frameworks, enforce corporate compliance, and ensure the ethical use of AI in high-risk environments. The European Union (EU), the Organisation for Economic Co-operation and Development (OECD), and the United States have taken leading roles in shaping global AI governance through risk-based classification systems, algorithmic transparency requirements, and liability assignment measures. These regulatory efforts underscore a consensus among policymakers that AI must be governed through robust oversight mechanisms rather than through legal personhood frameworks.

The EU AI Act (2021) is one of the most comprehensive AI regulatory proposals to date. This legislation aims to categorize AI applications based on their level of risk and impose stricter requirements for high-risk AI systems (European Commission, 2021). Under the Act, AI systems are classified into four categories. Unacceptable Risk AI includes applications that pose a significant threat to fundamental rights and democracy, such as social scoring systems or AI-powered mass surveillance technologies, which are prohibited under the Act. High-Risk AI covers applications used in healthcare, law enforcement, critical infrastructure, and employment screening, where biased or faulty decision-making could have serious consequences; these systems must meet strict data governance, transparency, and

human oversight requirements.

Limited Risk AI refers to applications with moderate risks, such as chatbots or AI-powered recommendation systems, which require clear disclosure to users but are subject to less stringent regulations. Minimal Risk AI includes applications with low or negligible risks, such as AI in video games or spam filters, which are largely unregulated under the Act.

The EU AI Act prioritizes transparency, risk assessment, and human oversight, ensuring that AI remains a tool rather than an autonomous legal entity. The Act also introduces liability rules for AI-driven harm, reinforcing that manufacturers, developers, and deployers of high-risk AI are responsible for AI-related damages. This strict corporate accountability approach stands in direct contrast to AI legal personhood models, demonstrating that policymakers favor human-centered liability frameworks.

In addition to the EU's regulatory efforts, the OECD AI Principles (2019) provide international guidelines for responsible AI development. These principles emphasize transparency, accountability, and human oversight, outlining best practices for governments, corporations, and research institutions (OECD, 2019). The OECD framework promotes algorithmic fairness, data protection, and AI impact assessments, ensuring that AI systems operate within legal and ethical constraints. Unlike legal personhood proposals, which seek to grant AI independent status, the OECD principles reinforce the importance of human responsibility in AI governance.

The United States has also made efforts to regulate AI, particularly in high-risk decision-making contexts. The US Algorithmic Accountability Act (2022) aims to introduce corporate AI regulations, requiring companies to conduct impact assessments and bias audits for AI systems used in sensitive areas such as lending, hiring, and healthcare (US Congress, 2022). The Act mandates transparency in AI decision-making processes, ensuring that companies explain how AI systems generate outcomes and address potential biases. This approach aligns with international trends favoring corporate liability and risk-based regulation over legal personhood models.

The common thread among these emerging AI regulatory frameworks is their rejection of AI legal personhood in favor of structured risk management systems. Rather than granting AI the rights and responsibilities of legal entities, policymakers are focusing on establishing clear liability pathways that ensure human accountability. These measures are designed to prevent AI-related harm, promote fairness, and ensure that AI systems are subject to the same legal scrutiny as other technologies.

Despite these regulatory advancements, some challenges remain in implementing effective AI governance frameworks. One issue is the global disparity in AI regulations, where different countries adopt varying standards for AI liability and ethical compliance. While the EU AI Act provides a unified regulatory structure for European nations, AI regulation in the United States remains largely sector-

specific and fragmented, with different rules for healthcare AI, autonomous vehicles, and financial algorithms. This lack of consistency creates legal uncertainties for multinational companies deploying AI across jurisdictions.

Another challenge lies in the enforcement of AI regulations, particularly in industries where AI operates with minimal human oversight. The effectiveness of AI governance depends on companies' willingness to comply with regulations and the ability of governments to monitor AI deployment. Regulatory bodies will need to invest in AI auditing mechanisms, compliance monitoring tools, and legal enforcement strategies to ensure that corporations adhere to ethical AI principles.

The potential for regulatory arbitrage—where companies relocate AI development to jurisdictions with weaker oversight—also raises concerns about the global effectiveness of AI regulations. To mitigate this risk, international cooperation will be essential in establishing harmonized AI governance standards that prevent companies from exploiting legal loopholes. Organizations such as the OECD, the United Nations, and the G20 could play a crucial role in developing global AI regulatory agreements.

As policymakers continue refining AI governance frameworks, a crucial focus remains on ensuring that AI liability laws remain robust, adaptive, and enforceable. Future AI regulations will likely evolve to include stricter compliance mechanisms, mandatory insurance policies for high-risk AI applications, and expanded consumer protection laws to address AI-related risks.

The study’s findings indicate that emerging AI policy solutions overwhelmingly favor strict liability models over legal personhood frameworks. The European Parliament’s initial proposal for AI electronic personhood was ultimately rejected, with policymakers opting for corporate accountability approaches that ensure AI remains governed by human decision-makers.

Legal scholars emphasize that AI lacks moral agency, which is a fundamental requirement for legal personhood. AI does not possess ethical reasoning, self-awareness, or the ability to take responsibility for its actions, making it incompatible with existing legal definitions of personhood. AI accountability is, therefore, best addressed through product liability laws, strict liability frameworks, and mandatory AI impact assessments, rather than through the redefinition of legal status.

The international community’s approach to AI governance suggests that future regulatory efforts will continue prioritizing transparency, ethical AI deployment, and corporate liability. AI regulations will likely expand to include global compliance standards, cross-border data protection rules, and stricter requirements for AI deployment in sensitive domains.

Overall, AI governance remains an evolving field, with governments and international organizations actively shaping the future of AI regulation. Rather than granting AI legal personhood, policymakers are ensuring that AI remains a tool

governed by human oversight, ethical constraints, and structured liability frameworks. The rejection of AI legal personhood across multiple jurisdictions underscores the global consensus that AI must be governed through strict compliance measures rather than independent legal recognition.

IV. Discussion

A. Why Legal Personhood is Unnecessary for AI

One of the strongest arguments against granting legal personhood to AI is that existing legal frameworks sufficiently address AI accountability. Legal scholars argue that AI should be treated similarly to drones, self-driving cars, and automated trading systems, which are all regulated under liability laws without the need for independent legal status (Kurki, 2019). Current product liability and tort laws ensure that the developers, manufacturers, and operators of AI systems bear responsibility for damages caused by their use (Solaiman, 2017).

For instance, self-driving cars are governed by strict product liability laws, where automakers and software developers are held accountable for accidents or malfunctions (Scherer, 2016). Similarly, algorithmic trading systems in financial markets are subject to securities regulations, ensuring that AI-driven transactions are monitored and attributed to human operators (Hildebrandt, 2020). These examples demonstrate that AI does not require legal personhood to function within the legal system.

Moreover, the analogy between corporate personhood and AI personhood is flawed. Corporations are human-created entities designed for economic and legal functions, with boards of directors, shareholders, and human governance structures (Bryson, Diamantis, & Grant, 2017). Corporations serve human interests, whereas AI lacks self-interest, decision-making autonomy, and moral reasoning (Floridi & Sanders, 2004). Unlike corporations, AI systems do not possess financial autonomy, governance mechanisms, or independent intentions (Kurki, 2019).

Legal scholars also warn that granting AI personhood could create accountability loopholes, allowing corporations and AI developers to evade liability by attributing actions to autonomous AI agents (European Commission, 2021). This could lead to a scenario where AI "electronic persons" act as liability shields, reducing human oversight and accountability in high-risk sectors like healthcare, finance, and law enforcement (Hildebrandt, 2020).

Another critical issue is criminal liability. If AI were granted personhood, legal systems would face challenges in holding AI criminally responsible for harm. Criminal liability requires intent, knowledge, and moral culpability—characteristics AI lacks (Calo, 2017). For example, if an AI-controlled weapon system accidentally caused civilian casualties, attributing criminal responsibility to AI itself would be legally and ethically meaningless. Instead, legal responsibility should be assigned to

military officials, software engineers, or policymakers who deployed the AI system (Bryson et al., 2017).

Given these considerations, AI legal personhood appears both unnecessary and problematic. AI can be effectively regulated within existing legal structures by strengthening liability laws, without redefining legal personhood.

B. The Alternative: "Electronic Personality" Model

A proposed alternative to full AI personhood is the "electronic personality" model. This concept, initially suggested in the European Parliament's 2017 resolution, aims to establish a limited legal framework for AI, allowing it to enter contracts on behalf of its operators, hold property in specific circumstances such as AI-generated digital assets and be assigned liability in a controlled and regulated manner (European Parliament, 2017). Under this model, AI would have certain legal capacities but would not be equivalent to human or corporate legal persons (Kurki, 2019). Instead, electronic personality would function as an intermediate legal status, defining AI's rights and responsibilities without granting full autonomy.

Supporters of electronic personality argue that AI systems, particularly autonomous financial systems, self-driving vehicles, and robotic process automation, frequently engage in transactions that resemble legal actions (Scherer, 2016). If an AI-driven trading algorithm purchases securities, should the AI itself be bound by contract law? Or should responsibility remain with the financial institution deploying the AI? The electronic personality model seeks to address such complexities without creating full AI personhood.

However, the European Parliament ultimately abandoned this idea in 2021, citing concerns that electronic personality could be exploited by corporations to limit liability (European Commission, 2021). Critics argued that this model could create artificial legal shields, where companies attribute AI-driven harm to legally recognized AI agents, reducing corporate responsibility for defective AI systems (Hildebrandt, 2020). Instead, legal experts emphasize enhancing liability frameworks rather than granting AI any independent legal status. The rejection of electronic personality reflects a broader consensus that AI should remain a tool rather than a legal entity.

As artificial intelligence (AI) continues to develop and integrate into various aspects of society, ensuring that it is effectively governed without granting it legal personhood remains a priority for policymakers. While AI systems have demonstrated significant advancements in autonomous decision-making, predictive analytics, and real-time interactions, they lack moral agency, ethical reasoning, and intentionalitykey characteristics required for legal personhood. The risks associated with AI personhood including accountability gaps, corporate liability avoidance, and ethical dilemmas underscore the necessity of regulating AI through structured liability frameworks rather than granting it legal status.

Given the absence of a compelling case for AI personhood, policymakers must

focus on strengthening AI-specific regulations that hold developers, manufacturers, and operators accountable for AI-related harm. Governments and international organizations are already working toward establishing liability laws, mandatory insurance policies, and strict ethical standards to govern AI deployment responsibly. Future AI governance should reinforce these regulatory structures, ensuring that AI remains a human-controlled tool rather than an autonomous legal entity.

One of the primary concerns in AI governance is the establishment of AI-specific liability laws that clearly define who is responsible for AI-related harms. Traditional liability frameworks often assign responsibility based on negligence or intentional wrongdoing, but AI presents unique challenges in determining who should bear legal responsibility when AI systems cause harm. AI liability laws should include clear legal guidelines to address AI-related damages, ensuring that accountability remains human-centered.

Governments should introduce strict liability provisions for AI developers and manufacturers, making them legally responsible for AI design flaws and operational failures. Unlike corporate negligence models, where liability is based on proving fault or misconduct, strict liability laws ensure that AI companies are automatically responsible for damages resulting from defective AI systems. This approach would simplify legal claims for victims, as they would not need to prove intent or negligence on the part of the AI developer or manufacturer (Solaiman, 2017).

In addition to holding developers and manufacturers accountable, AI liability laws should impose strict liability on AI operators, particularly in high-risk industries such as autonomous vehicles, healthcare, and financial services. AI-powered systems in these sectors often make decisions with life-altering consequences, and ensuring operator accountability is essential for maintaining public trust in AI technology (Scherer, 2016).

Another crucial aspect of AI liability laws is the requirement for AI audits to ensure transparency and accountability in AI decision-making processes. Many AI systems operate as “black box” models, where their decision-making processes are opaque and difficult to interpret. This lack of transparency raises concerns about bias, discrimination, and accountability gaps. AI audits would ensure that AI systems comply with fairness, accuracy, and ethical transparency standards before being deployed in high-risk applications (European Commission, 2021).

Another essential component of AI governance is the implementation of mandatory insurance policies for high-risk AI applications. As AI-driven systems become increasingly autonomous, governments should mandate insurance requirements for AI operators to ensure compensation for AI-related damages. This insurance model would function similarly to car insurance for human drivers, ensuring that victims of AI-related harm receive financial restitution while also incentivizing companies to assess AI risks before implementation.

One of the key benefits of mandatory AI insurance policies is that they cover damages caused by autonomous systems, including self-driving cars, robotic medical assistants, and AI-powered financial algorithms. In scenarios where AI makes a faulty decision that leads to harm, insurance coverage would ensure that victims are compensated without needing to undergo lengthy legal battles (Hildebrandt, 2020).

Additionally, requiring AI developers and operators to carry liability insurance would encourage responsible AI deployment by forcing companies to assess risks before launching AI-driven products. Insurance providers could require AI audits, safety evaluations, and compliance certifications before issuing coverage, leading to higher accountability standards for AI companies. By implementing insurance-backed liability mechanisms, governments can create a financial safety net for AI-related damages while maintaining regulatory oversight.

A third critical aspect of AI regulation involves establishing strict ethical and transparency standards to ensure AI decision-making remains explainable, fair, and accountable. One of the major concerns with AI deployment is its lack of interpretability, which can make it difficult to challenge AI-generated outcomes. For example, if an AI system denies a loan application, recommends an unfair prison sentence, or makes an incorrect medical diagnosis, affected individuals must have the right to understand how and why the decision was made.

To prevent AI from operating as an opaque decision-making system, regulators must enforce strict transparency requirements that ensure AI systems provide explainable decision-making processes. AI developers should be required to publish transparency reports detailing how their models function, what data is used for training, and how AI-generated conclusions are reached (Calo, 2017).

Additionally, AI models should be subjected to bias audits and ethical reviews before being deployed, particularly in sectors such as hiring, law enforcement, healthcare, and finance. Many AI systems inherit biases from training data, leading to unfair or discriminatory outcomes. By conducting mandatory bias audits, policymakers can ensure that AI systems do not disproportionately disadvantage certain demographic groups (Floridi & Sanders, 2004).

Furthermore, high-stakes AI applications in law enforcement, hiring, and financial decision-making should be required to maintain human oversight. While AI can assist in improving efficiency and accuracy, human decision-makers should have the final authority in critical decision-making scenarios (European Commission, 2021). Requiring human oversight would prevent AI from making irreversible or unjust decisions, reinforcing the principle that AI serves as a tool rather than an autonomous legal entity.

The ongoing discussion surrounding AI legal personhood confirms that granting AI legal status poses significant risks to legal accountability and corporate liability. While the electronic personality model was initially proposed as a compromise, it was

ultimately rejected due to concerns over liability avoidance. Instead of granting AI independent legal status, policymakers should focus on enhancing liability laws, enforcing mandatory AI insurance policies, and strengthening ethical transparency regulations. Future AI governance will likely continue to evolve, incorporating stricter liability laws, AI auditing requirements, and expanded consumer protection regulations. While AI will play a significant role in shaping modern industries, economic systems, and public services, ensuring that AI remains governed by human-controlled legal frameworks will be crucial for preventing unintended ethical and legal consequences.

Rather than attempting to fit AI into traditional legal personhood models, governments should focus on adapting regulatory policies to reflect AI's unique challenges. This approach will enable policymakers to strike a balance between AI innovation and public accountability, ensuring that AI development aligns with societal values, ethical norms, and consumer protections. By prioritizing risk-based regulation, liability assignment, and ethical AI governance, governments can create a legal environment where AI serves society without undermining human legal and ethical principles. The rejection of AI legal personhood reflects a broad international consensus that AI should remain a human-governed technology, regulated through strict compliance measures rather than independent legal recognition.

Ultimately, AI legal governance should focus on strengthening corporate responsibility, implementing AI-specific liability laws, enforcing strict transparency standards, and mandating AI insurance policies for high-risk applications. These measures will ensure public trust in AI systems while maintaining legal clarity and accountability within human-centered governance models.

Conclusion

The findings of this study indicate that granting legal personhood to artificial intelligence (AI) is neither necessary nor beneficial. While AI is increasingly integrated into various industries, from healthcare and finance to autonomous vehicles and robotics, its role remains that of an advanced technological tool rather than an independent legal entity. Legal personhood, historically reserved for humans and corporations, entails rights, obligations, and responsibilities that AI lacks the capacity to fulfill. Unlike humans, who possess moral agency, intent, and accountability, and corporations, which are governed by boards, shareholders, and legal regulations, AI functions purely through programmed algorithms and data-driven decision-making. The absence of self-awareness, financial autonomy, and ethical reasoning makes AI an inappropriate candidate for legal personhood.

A key argument against AI personhood is that existing legal frameworks already provide adequate mechanisms to regulate AI. Product liability laws, contractual obligations, and strict liability models ensure that developers, manufacturers, and operators bear responsibility for the harm caused by AI systems

(Solaiman, 2017). Just as self-driving cars are regulated under transportation laws, and automated trading algorithms in finance fall under securities regulations, AI in other industries can be effectively managed through targeted liability rules. The European Commission's AI Act (2021) reinforces this approach by categorizing AI into different risk levels and imposing stringent regulations on high-risk AI applications, ensuring accountability without requiring legal personhood.

Another critical concern is the potential misuse of AI legal personhood by corporations. If AI systems were granted legal personhood, companies could shift liability onto AI entities, avoiding financial and legal responsibility for AI-driven damages. This could create artificial legal shields, allowing businesses to evade accountability by attributing errors, biases, or harmful decisions to autonomous AI rather than human decision-makers. Such a scenario would significantly weaken consumer protection laws, leaving victims of AI-related harm with no clear path to justice.

While some legal scholars have proposed the electronic personality model as an alternative, this idea has largely been abandoned. The European Parliament initially suggested that electronic personality could allow AI to enter contracts, hold assets, and bear limited liability while remaining distinct from human and corporate personhood. However, by 2021, this concept was rejected due to fears that it could be exploited to reduce corporate liability rather than improve AI governance. Instead of redefining AI's legal status, policymakers have opted to strengthen liability laws and ethical oversight mechanisms, ensuring that responsibility remains with AI developers, operators, and owners.

The future of AI regulation should focus on enhancing liability laws rather than granting AI independent legal status. Governments should develop AI-specific liability frameworks, requiring manufacturers to take full responsibility for AI-driven harm. Additionally, mandatory insurance policies for high-risk AI applications would ensure financial compensation for damages caused by autonomous systems. To prevent AI from becoming a black box that makes unaccountable decisions, transparency regulations should mandate explainable AI (XAI) standards, ensuring that AI decisions can be audited, challenged, and corrected when necessary.

AI does not require legal personhood to function effectively within legal and regulatory frameworks. The strict liability model, product liability regulations, and transparency standards provide a robust foundation for governing AI without extending legal rights and responsibilities to autonomous systems. Instead of reshaping legal personhood definitions to accommodate AI, future research should focus on improving liability enforcement, ethical AI deployment, and risk management strategies.

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