
DIGITAL PLATFORM, AI GOVERNANCE AND TRANSNATIONAL LIABILITY

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ABSTRACT

The rapid growth of digital platforms and artificial intelligence has significantly transformed global communication, commerce, and decision-making processes. However, the cross-border nature of these technologies has created complex legal challenges, particularly in relation to governance, accountability, and liability. This paper examines the emerging framework of artificial intelligence governance on digital platforms and analyses the difficulties in determining transnational liability when harm occurs across multiple jurisdictions. It explores how existing legal systems struggle to regulate platform-based AI activities due to issues such as jurisdictional conflicts, lack of uniform standards, and the involvement of multiple stakeholders including platform providers, developers, and users. The study further evaluates current regulatory approaches adopted by different countries and international bodies to address AI-related risks. By analyzing comparative legal frameworks and recent policy developments, the paper highlights the need for coordinated global governance mechanisms to ensure accountability, transparency, and protection of fundamental rights. The research argues that effective transnational regulatory cooperation and clearly defined liability standards are essential to balance technological innovation with legal responsibility in the digital era.

INTRODUCTION

In recent years, digital platforms have grown very rapidly across the world. Platforms such as social media, online shopping websites, video streaming services, and digital payment systems have become a part of everyday life. People use these platforms for communication, entertainment, education, business, and many other activities. Along with the growth of digital platforms, the use of Artificial Intelligence (AI) ¹has also increased. AI technology helps platforms to analyze large amounts of data and provide better services to users.

Artificial Intelligence plays an important role in many sectors today. In social media platforms, AI is used to recommend posts, videos, and advertisements based on user interests. In e-commerce platforms, AI helps in suggesting products and improving customer experience. In the financial sector, AI is used for fraud detection, risk assessment, and digital payments. Governments and public institutions are also slowly using AI for decision-making, administration, and public services. Because of these wide applications, AI has become a powerful tool in the digital world.

However, the growth of digital platforms and AI technologies has also created several legal and regulatory problems. One major issue is that digital activities often take place across national borders. A digital platform may operate in many countries at the same time, and users from different parts of the world may interact with each other. When a problem arises, such as the spread of harmful content, data misuse, or AI-related harm, it becomes difficult to determine which country's law should apply.

This situation creates transnational legal challenges. Courts and legal systems may face difficulties in deciding jurisdiction, responsibility, and liability when digital activities involve more than one country. As a result, existing national laws are sometimes not sufficient to deal with these complex issues.

The main purpose of this research is to examine the relationship between digital platforms, Artificial Intelligence governance², and transnational liability. The study aims to understand the legal challenges created by cross-border digital activities and the need for effective

¹ NITI Aayog, National Strategy for Artificial Intelligence, Government of India, 2018 <https://www.niti.gov.in/sites/default/files/2023-03/National-Strategy-for-Artificial-Intelligence.pdf> (last visited Mar. 12, 2026).

² OECD, OECD Principles on Artificial Intelligence, Organization for Economic Co-operation and Development, 2019. <https://oecd.ai/en/ai-principles> (last visited Mar. 12, 2026).

regulatory frameworks. It also highlights the importance of international cooperation in developing clear rules to regulate AI and digital platforms in a fair and responsible manner.

CONCEPT OF DIGITAL PLATFORM AND AI TECHNOLOGIES

Digital platforms are online systems that allow people to communicate, share information, buy and sell goods, and access different types of services through the internet. These platforms connect users, businesses, and service providers in a digital environment. Examples of digital platforms include social media websites, search engines, video streaming platforms, and online marketplaces. Through these platforms, people can interact with others, search for information, watch videos, and purchase products from anywhere in the world.

Artificial Intelligence (AI) has become an important part of the functioning of many digital platforms. These systems can analyze data, recognize patterns, and make decisions based on the information they receive. Digital platforms use AI algorithms to manage large amounts of data and improve the services they provide to users.

One of the main uses of AI in digital platforms is through recommendation systems. For example, social media platforms use AI to suggest posts, videos, or advertisements that may match a user's interests. Online marketplaces use AI to recommend products based on previous searches or purchases. Search engines also use AI algorithms³ to show the most relevant results when a user searches for information.

This data may include browsing history, preferences, location information, and online activities. AI systems analyze this data to understand user behavior and provide personalized services. Through algorithmic decision-making and automation, platforms can quickly process information and respond to user needs without direct human involvement.

While AI technologies offer many benefits, they also create certain risks and challenges. On the positive side, AI helps digital platforms operate more efficiently, improve user experience, and provide faster services. However, the use of AI can also raise concerns about privacy, data protection, and transparency. In some cases, AI systems may produce biased or unfair results because they depend on the data used to train them. Therefore, it is important to develop proper

³ OECD, *Artificial Intelligence in Society*, Organization for Economic Co-operation and Development, 2019 <https://www.oecd.org/digital/artificial-intelligence-in-society-9789264311805-en.htm> (last visited Mar. 12, 2026).

rules and governance systems to ensure that AI technologies are used responsibly on digital platforms.

NEED FOR AI GOVERNANCE

The rapid growth of Artificial Intelligence has created many opportunities, but it has also raised several concerns. Because AI systems can make decisions automatically, it is important to regulate how these systems are designed and used. Without proper rules, AI technologies may cause harm to individuals or society. For example, AI systems may spread false information, invade personal privacy, or make unfair decisions. Therefore, regulation is necessary to ensure that AI is used in a responsible and ethical manner.

There are also several ethical issues connected with the use of AI. One major concern is bias. AI systems are trained using large amounts of data, and if the data contains bias, the results may also be biased. This can lead to discrimination in areas such as employment, finance, or online services. Transparency is another concern because many AI systems operate in a complex way that users cannot easily understand. Accountability is also important, as it must be clear who is responsible when an AI system causes harm. Privacy protection is another key issue because digital platforms collect and analyze large amounts of personal data.

Governments have an important role in creating rules and policies to regulate the use of AI technologies. Regulatory authorities can develop laws that require companies to follow ethical standards and protect user rights. International organizations are also involved in discussions about responsible AI. Since AI technologies is used globally, cooperation between countries is necessary to develop common principles and standards for AI governance.

LEGAL FRAMEWORK GOVERNING DIGITAL PLATFORM

Many countries have introduced laws to regulate the functioning of digital platforms. These laws aim to protect users, maintain transparency, and prevent the misuse of online services. Digital platforms ⁴allow users to create and share content, but this also raises questions about responsibility when harmful or illegal content appears online. Governments therefore try to ensure that platforms follow certain legal obligations.

⁴ European Commission, Ethics Guidelines for Trustworthy Artificial Intelligence, 2019.<https://digital-strategy.ec.europa.eu/en/library/ethics-guidelines-trustworthy-ai> (last visited Mar. 12, 2026).

Digital platforms may also use automated systems and algorithms to manage their services. In such situations, the platform may be required to monitor the content shared by users and remove harmful material when necessary. At the same time, there is an ongoing debate about how much responsibility platforms should bear for user-generated content and automated decisions made by AI systems.

Regulatory authorities play an important role in enforcing these laws. They supervise the activities of digital platforms and ensure that companies follow legal requirements. Compliance mechanisms such as reporting obligations, content moderation policies, and user protection measures are often introduced to improve accountability.

TRANSNATIONAL LIABILITY ISSUES IN AI SYSTEMS

One of the major challenges related to digital platforms and AI systems is transnational liability. Digital platforms operate across many countries, and their services are available to users worldwide. When harm occurs through these platforms, it may affect people in different jurisdictions.⁵ This creates legal difficulties because each country may have its own laws and regulations.

Jurisdictional conflicts often arise when courts in different countries claim the authority to hear the same case. It may also be difficult to enforce a court decision in another country. These challenges make it complicated to provide legal remedies to affected individuals.

Another difficulty is identifying the person or organization responsible for the harm caused by an AI system. Responsibility may involve different parties, such as software developers, digital platforms, data providers, or users. Because AI systems operate through complex technological processes, determining legal liability becomes more complicated.

Cross-border data flows also create accountability issues. Data collected in one country may be processed in another country and used by a platform operating globally. This situation raises important questions about which laws should apply and how legal responsibility should be determined.

⁵ European Commission, Proposal for a Regulation on Artificial Intelligence (Artificial Intelligence Act), COM/2021/206 final. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52021PC0206> (last visited Mar. 12, 2026).

COMPARATIVE APPROACHES TO AI GOVERNANCE

Artificial Intelligence is used in many parts of the world, and different countries have started developing rules to regulate its use. However, there is no single global law that governs AI. Because of this, each country or region has adopted its own approach to AI governance depending on its legal system, technological development, and policy priorities. A comparative study of these approaches helps in understanding how different governments try to balance innovation with regulation.

Some countries focus on strict regulations to control the development and use of AI technologies. In such systems, governments create detailed legal rules to ensure that AI systems are safe, transparent, and accountable. These regulations often focus on protecting personal data, preventing discrimination, and ensuring that AI systems do not harm individuals or society.

Other countries prefer a more flexible approach. Instead of strict laws, they rely on policy guidelines and ethical principles to guide the development of AI. This approach encourages technological innovation and allows companies to develop new AI systems with fewer legal restrictions. However, governments may still monitor these developments and introduce regulations when necessary.

Many international organizations and policy groups have also started discussing common principles for responsible AI. These discussions usually focus on important values such as fairness, transparency, accountability, and respect for human rights. The aim is to encourage countries to adopt responsible practices while developing and using AI technologies.

Even though these approaches are helpful, they also have certain limitations. Differences between national regulations can create challenges when AI systems operate across borders. A technology developed in one country may be used in another country where the rules are different. This can create legal uncertainty and difficulties in enforcement.

Therefore, studying the comparative approaches to AI governance is important. It helps policymakers understand the strengths and weaknesses of existing systems and encourages cooperation between countries in developing effective and responsible AI regulations in the future.

CHALLENGES IN REGULATING AI AND DIGITAL PLATFORMS

Regulating AI and digital platforms is not an easy task. One major challenge is the absence of uniform global legal standards. Because each country has its own legal system and policy priorities, creating common international rules becomes difficult.

AI technologies continue to evolve quickly, while legal reforms often take a long time to develop and implement. As a result, laws may become outdated before they are fully enforced.

Enforcement is also difficult in the digital environment. Digital platforms operate across borders, and authorities may face problems in monitoring activities or enforcing legal decisions in different jurisdictions. These issues make effective regulation more complicated.

RECOMMENDATIONS FOR EFFECTIVE GOVERNANCE

To address these challenges, stronger cooperation between countries is necessary. Governments and international organizations should work together to develop harmonized regulations for the governance of AI technologies. Common principles and standards can help reduce legal conflicts and improve accountability.

There is also a need to develop clear legal frameworks that define liability for AI systems. Laws should specify the responsibilities of developers, digital platforms, and other actors involved in the operation of AI technologies.

In addition, transparency and accountability should be strengthened. Digital platforms should provide clear information about how their AI systems⁶ operate and how user data is collected and processed. Stronger data protection measures are also necessary to protect the privacy and rights of users.

IMPACT OF DIGITAL PLATFORMS ON SOCIETY

Digital platforms have changed the way people communicate, work, and share information in modern society. With the growth of the internet, platforms such as social media, online marketplaces, and video streaming services have become a regular part of everyday life. People

⁶ Shreya Singhal v. Union of India, (2015) 5 SCC 1. <https://indiankanoon.org/doc/110813550/>(last visited Mar. 12, 2026).

use these platforms to stay connected with friends and family, express their opinions, and access information quickly.

One major impact of digital platforms is on communication. Earlier, people depended on traditional forms of communication such as letters, newspapers, and television. Today, social media platforms allow individuals to share news, ideas, and opinions instantly. Information can reach millions of people within a short period of time.

Digital platforms have also influenced the way businesses operate. Many companies now use online platforms to promote their products and services. Online marketplaces allow businesses to reach customers from different parts of the world. Small businesses and individual sellers can also use these platforms to expand their market and increase their income. As a result, digital platforms have contributed to the growth of the digital economy.

Education and access to knowledge have also improved because of digital platforms. Students and teachers can access online learning materials, educational videos, and research resources through the internet. This has made learning more flexible and convenient for many people.

However, digital platforms also create certain challenges for society. The rapid spread of information can sometimes lead to the circulation of false or misleading content. There are also concerns about privacy, data protection, and the misuse of personal information. Because of these issues, it is important for governments and organizations to develop proper rules and policies to ensure that digital platforms are used in a safe and responsible manner.

ROLE OF DATA IN DIGITAL PLATFORMS

Data plays a very important role in the functioning of digital platforms. Most online services depend on data to understand user behavior and improve their services. When people use digital platforms such as social media, online shopping websites, or search engines, they create a large amount of data through their activities. This data may include information such as search history, likes, comments, purchases, location details, and browsing patterns.

Digital platforms collect and store this data in order to analyze how users interact with their services. By studying this information, companies can understand the interests and preferences of users. This helps platforms provide personalized experiences. For example, social media platforms may suggest posts or videos that match a user's interests, while online shopping

websites may recommend products based on previous purchases or searches.

Data is also important for improving the efficiency of digital platforms. With the help of advanced technologies such as Artificial Intelligence and data analytics, platforms can process large amounts of information quickly. This allows them to identify patterns, predict user behavior, and improve their services over time.

At the same time, the collection and use of large amounts of data also raise important concerns. Personal data may sometimes be misused or shared without the knowledge of users. There are also risks related to data breaches, where sensitive information may be exposed or stolen. Because of these concerns, many experts believe that strong data protection rules are necessary.

Therefore, while data helps digital platforms operate effectively and provide better services, it is also important to ensure that data is collected and used in a responsible and transparent manner. Proper safeguards and legal protections are needed to protect the privacy and rights of users.

ETHICAL ISSUES IN ARTIFICIAL INTELLIGENCE

Artificial Intelligence (AI) is a technology that allows machines and computer systems to perform tasks that usually require human intelligence. Today AI is used in many areas such as healthcare, education, banking, transportation, social media, and digital platforms. It helps people to complete tasks faster and more efficiently. However, along with these benefits, AI also creates several ethical issues. Ethical issues refer to questions about what is right or wrong when using technology. As AI becomes more common in everyday life, it is important to understand these ethical concerns.

One of the major ethical issues in AI is privacy. AI systems usually collect and analyse a large amount of personal data from users. This data may include personal details, online activities, search history, and location information. Many companies collect this information to improve their services or to provide personalized recommendations. However, sometimes users may not clearly know how their data is being collected or used. If this data is misused or shared without permission, it can violate a person's privacy. Therefore, protecting personal data and ensuring proper consent from users is very important.

Another important ethical issue is bias and discrimination. AI systems learn from data that is

given by humans. If the data used to train the AI system contains bias or unfair information, the AI system may also produce biased results. For example, an AI system used in hiring employees may favour certain groups of people and reject others based on gender, race, or background. This can lead to unfair decisions and social inequality. To avoid this problem, developers must carefully check the data used in AI systems.

Lack of transparency is also a serious concern in AI technology. Many AI systems work in a complex way, and it may be difficult for people to understand how they make decisions. When AI is used in important areas like medical diagnosis, banking decisions, or criminal justice systems, people may not know how the system reached a particular decision. This lack of clarity can reduce trust in AI systems. Therefore, it is important to develop AI that is more transparent and understandable.

Another ethical issue is accountability. When an AI system makes a mistake or causes harm, it can be difficult to decide who is responsible. For example, if a self-driving car causes an accident, it may be unclear whether the responsibility lies with the software developer, the manufacturer, or the user. This creates legal and ethical challenges. There must be clear rules to decide who is responsible for the actions of AI systems.

Job displacement is also an important concern. AI and automation can replace human workers in many industries. For example, machines can perform tasks in factories, customer service, and data analysis more quickly than humans. While this can increase efficiency, it may also lead to unemployment for many workers. Society must find ways to support workers and create new opportunities when technology replaces traditional jobs.

Another ethical issue is the misuse of AI technology. AI can sometimes be used for harmful purposes such as spreading fake information, creating deep fake videos, or conducting cyberattacks. Deep fake technology can create realistic but false images or videos, which may damage a person's reputation or spread misinformation. Without proper regulation, AI technology may be used in ways that harm individuals and society.

JURISDICTIONAL ISSUES IN CROSS-BORDER DIGITAL DISPUTES

In the digital world, many online activities take place across national borders. Digital platforms such as social media websites, online marketplaces, and search engines are used by people from

different countries at the same time. Because of this global nature of the internet, legal disputes that arise from digital activities often involve more than one country. This creates important jurisdictional issues in resolving such disputes.

In traditional legal situations, determining jurisdiction is usually easier because the parties, activities, and events are located within one country. However, in digital disputes the situation becomes more complicated. A person in one country may create online content, the platform may be operated from another country, and the harm may be experienced by users in a completely different country. As a result, it becomes difficult to decide which country's court has the authority to handle the case.

Another challenge is the conflict of laws between different countries. Each country has its own legal rules regarding privacy, defamation, data protection, and online content regulation. When a dispute involves parties from different countries, courts must decide which law should be applied. Sometimes different countries may claim jurisdiction over the same dispute, which can create confusion and legal uncertainty.

Enforcement of legal decisions is also a major problem in cross-border digital disputes. Even if a court in one country gives a judgment, it may be difficult to enforce that decision in another country where the digital platform or company is located. This makes it harder for victims to receive effective legal remedies.

Therefore, jurisdictional issues have become a major challenge in the regulation of digital platforms and online activities. To address these problems, countries may need to cooperate with each other and develop clearer legal frameworks for handling cross-border digital disputes.

AI ALGORITHMS AND DATA PROCESSING IN DIGITAL PLATFORMS

Artificial Intelligence plays an important role in the functioning of modern digital platforms. Many online services such as social media, search engines, and online shopping websites depend on AI algorithms to manage their operations. An algorithm is a set of instructions that a computer system follows to process information and make decisions. These algorithms help digital platforms analyze large amounts of data quickly and provide services to users in an efficient manner.

Digital platforms collect different types of data from their users. This data may include information such as browsing history, search activities, location details, preferences, and interactions on the platform. The collected data is then processed using AI technologies. By analyzing this data, platforms try to understand the behavior and interests of users.

AI algorithms are widely used for recommendation systems. For example, social media platforms suggest posts, videos, or advertisements based on the interests of a user. Similarly, online marketplaces recommend products that a user may want to buy based on previous searches or purchases. Search engines also use AI algorithms⁷ to display the most relevant results when users look for information online.

Another important aspect is algorithmic decision-making. In many cases, digital platforms rely on automated systems to make decisions without direct human involvement. These systems can filter content, detect harmful activities, or manage large amounts of online information. Automation helps platforms operate faster and handle millions of users at the same time.

Although AI algorithms and data processing improve the efficiency of digital platforms, they also raise certain concerns. The large-scale collection of personal data may create privacy risks. In addition, automated decisions made by algorithms may sometimes lack transparency, and users may not clearly understand how these decisions are made. For this reason, many experts believe that proper rules and safeguards are necessary to ensure that AI technologies are used responsibly in digital platforms.

FUTURE OF AI REGULATION

Artificial Intelligence (AI) is growing very fast and is becoming a part of many areas of human life. Today AI is used in healthcare, banking, education, transportation, social media, and many digital platforms. It helps people to work faster and solve complex problems. However, as AI becomes more powerful and widely used, there is a need to regulate it properly. AI regulation means creating laws, rules, and guidelines to control how AI systems are developed and used. The future of AI regulation will play an important role in protecting people and ensuring that technology is used in a responsible way.

One of the main goals of future AI regulation is to protect human rights and public safety. AI

⁷ <https://www.unesco.org/en/artificial-intelligence/recommendation-ethics> (last visited Mar. 12, 2026).

systems can influence many important decisions such as medical treatment, financial services, and even criminal justice. If these systems make mistakes or act unfairly, it can harm individuals and society. Therefore, governments are likely to create stronger laws to make sure AI systems respect human rights, avoid discrimination, and do not harm people.

Another important area in the future of AI regulation is data protection and privacy. AI systems depend heavily on large amounts of data to learn and function. Much of this data comes from individuals through online platforms and digital services. Without proper regulation, companies may misuse personal data or collect it without proper consent. Future AI laws will likely focus on protecting personal information and ensuring that companies use data responsibly and transparently.

Transparency and accountability will also become important aspects of AI regulation. Many AI systems make decisions automatically, and sometimes people do not understand how those decisions are made. This lack of transparency can create confusion and mistrust. Future regulations may require companies to explain how their AI systems work and how decisions are made. In addition, there will likely be clear rules to determine who is responsible if an AI system causes harm.

Another important issue is international cooperation. AI technology is used across the world and digital platforms often operate in many countries. Because of this, it can be difficult for one country alone to regulate AI effectively. In the future, countries may work together to create common rules and standards for AI development and use. International organizations may also play an important role in creating guidelines that promote safe and ethical AI.

The future of AI regulation will also focus on balancing innovation and control. Governments want to encourage technological progress because AI can bring many benefits to society. At the same time, they must ensure that AI is not misused. Regulations should not be too strict because they may slow down innovation, but they should be strong enough to prevent harm. Finding this balance will be an important challenge for policymakers.

Another area that may receive attention in the future is regulation of high-risk AI systems. Some AI technologies, such as facial recognition, autonomous vehicles, and surveillance systems, can have serious social impacts. Governments may introduce stricter rules for these high-risk technologies to ensure they are used safely and ethically.

CONCLUSION

Digital platforms and Artificial Intelligence have become central to the modern digital economy. They offer many benefits by improving communication, access to information, and online services. However, these technologies also create important legal and ethical challenges, especially when they operate across national borders.

This study highlights the need for effective governance mechanisms to regulate the use of AI on digital platforms. Issues such as bias, privacy, accountability, and transnational liability must be addressed through clear legal frameworks.

At the same time, it is important to maintain a balance between encouraging technological innovation and protecting the rights of individuals. Future efforts should focus on strengthening international cooperation and developing global standards for responsible AI governance.