

POLICY PAPER

Advancing AI Transparency in Canada

A Black Community Perspective on Trust, Accountability and Opportunity

Response to Innovation, Science and Economic Development
Canada discussion paper, Enhancing Trust in Artificial Intelligence
through Increased Transparency

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Protect. Participate. Lead. Own.

About AINBI

The **AI Nexus for Black Innovators (AINBI)** is a Canadian organization focused on increasing Black participation, leadership, innovation, and economic opportunity in artificial intelligence and emerging technologies.

AINBI works to ensure that Black Canadians are not only included in conversations about the risks of artificial intelligence, but are also part of shaping its future. Our work supports Black professionals, entrepreneurs, researchers, students, youth, and community leaders through education, skills development, mentorship, policy engagement, entrepreneurship, and opportunities to participate in Canada's growing AI economy.

A key part of AINBI's mandate is to bring the voices and experiences of Black communities into national conversations about artificial intelligence. We are particularly interested in how AI affects employment, entrepreneurship, access to capital, financial services, public services, education, digital inclusion, and economic opportunity.

AINBI also promotes responsible and inclusive AI. We believe that people should understand when AI is being used, how it may affect them, and who is responsible when problems occur. At the same time, we believe Black Canadians must have meaningful opportunities to become creators, founders, researchers, investors, policy leaders, and owners within the AI ecosystem.

Through our **National Advisory Council on Inclusive AI and Black Innovation**, AINBI brings together leaders and experts to contribute to policy discussions and help advance practical solutions for a more inclusive Canadian AI economy.

Our goal is simple: to help build a future where Black Canadians are not only protected from potential harms associated with AI, but are also fully represented in the leadership, innovation, ownership, and economic opportunities that artificial intelligence creates.

Executive Summary

The AI Nexus for Black Innovators welcomes the Government of Canada discussion on AI transparency. We reviewed the consultation paper with one question in mind: what will transparency mean in real life for Black Canadians?

The discussion paper focuses on five practical areas. It asks how people can identify AI generated content, know when they are interacting with AI, receive understandable information about AI systems, learn from serious AI incidents, and trace the actions of AI agents. AINBI supports work in all five areas.

Our main message is simple. Transparency must help people understand when AI is affecting them and what they can do when something goes wrong. It must also help Canada see whether AI systems are producing unfair outcomes for Black communities.

At the same time, AINBI does not want Black Canadians to appear in AI policy only when the conversation is about harm. Black Canadians are also founders, researchers, workers, students, investors, creators and future leaders in the AI economy. Canada should protect communities from unfair systems while creating real pathways for Black people to build, govern, lead and own AI businesses and technologies.

AINBI therefore recommends a practical approach built around four ideas: protection, participation, leadership and ownership.

Priority Recommendations

1. Give people a clear notice when AI is being used in a way that can affect an important decision about them.
2. Explain the role AI played in decisions involving jobs, credit, insurance, housing, education, health care and public services.
3. Require stronger transparency for AI systems that can create serious economic, social or discriminatory harm.
4. Include racial impact and unequal outcomes in the assessment of higher impact AI systems.
5. Create a simple public facing AI information notice that explains purpose, limits, responsibility and recourse in plain language.
6. Create a national process for reporting serious AI incidents, including significant economic harm and discriminatory outcomes.
7. Keep clear records when AI agents take important actions on behalf of people or organizations.
8. Ensure there is always an identifiable person or organization accountable for consequential AI use.
9. Include Black communities in AI governance, standards, research, testing and policy development.
10. Provide practical compliance support so transparency rules do not create new barriers for Black entrepreneurs and small businesses.
11. Use federal procurement and innovation programs to create opportunities for Black owned and Black led AI companies.
12. Improve data on Black participation in AI research, employment, entrepreneurship, investment, procurement and leadership.

1. Why AINBI Is Responding

AINBI works to strengthen Black participation, leadership, innovation and economic opportunity in artificial intelligence and emerging technology. Our interest in transparency comes from both sides of the AI conversation. We care about protection from harm, and we care about access to opportunity.

AI is moving quickly into everyday decisions. It can help employers screen applications, support financial institutions, assist public services, generate images and text, communicate with customers and increasingly take actions through AI agents. These uses can be helpful. They can also make decisions harder to understand when people do not know where AI was used or who is responsible.

For Black Canadians, this matters because technology does not operate outside society. Data can reflect old inequalities. Institutional practices can contain bias. A system can appear neutral while

still producing unequal results. When AI makes those processes faster or harder to see, transparency becomes an equity issue.

Transparency also matters to Black innovators. Founders and small businesses need clear rules they can understand and afford to follow. If transparency requirements become too complex, only the largest companies will have the resources to comply. That would work against the goal of a more inclusive Canadian AI economy.

2. Our Response to the Discussion Paper

We agree with the discussion paper that trust in AI requires more information about how AI is used. But information alone is not enough. Transparency has value only when a person can understand the information and use it to make a choice, ask a question, challenge an outcome or seek help.

For AINBI, good transparency should answer five basic questions.

- Was AI used?
- What was AI used to do?
- How could it affect me?
- Who is responsible?
- What can I do if I believe the outcome is wrong or unfair?

These questions should guide the design of notices, system information, incident reporting and AI agent records. They are simple enough for the public, but they also create a strong accountability standard for organizations.

3. Identifying AI Generated Content

The discussion paper asks how Canadians can better detect and identify content that was created or changed by AI. AINBI supports practical methods that help people understand the origin of content, especially where deception could cause real harm.

This matters for Black communities because synthetic content can be used for impersonation, fraud, harassment, misinformation and harmful racial stereotypes. AI generated images and videos can also falsely represent individuals or communities in ways that are difficult to correct once they spread online.

AINBI does not believe every ordinary use of AI needs a heavy label. The strongest requirements should apply where there is a meaningful risk that people could be deceived or harmed.

Recommendation 1. Canada should support clear and reliable ways to identify AI generated or significantly altered content when the content could create serious harm, deception, fraud, impersonation or misinformation.

Recommendation 2. Canada should support common technical standards for content origin and authenticity, while recognizing that watermarking alone will not solve the problem.

For AINBI, the goal is not to make creative use of AI difficult. The goal is to make harmful deception easier to identify and challenge.

4. Knowing When We Are Interacting With AI

The discussion paper asks when people should be told that they are interacting with AI. AINBI believes this should be straightforward. If a person reasonably believes they are dealing with another person, but they are actually dealing with an AI system, they should be told.

A clear notice is especially important when the interaction can affect money, employment, health, education, legal rights or access to public services. The notice should appear at the time of the interaction, not be buried in long terms and conditions.

Recommendation 3. Organizations should give a clear and simple notice when a person is meaningfully interacting with an AI system.

Recommendation 4. Where AI is involved in an important decision, the organization should explain what role AI played and how the person can request more information or human review.

People should not need technical knowledge to understand that AI is part of a decision affecting their life.

5. Making Information About AI Understandable

The discussion paper also asks what information about AI systems should be available and how that information can be made useful. AINBI strongly supports plain language transparency.

A long technical document may be useful to engineers, but it may not help a job applicant, small business owner, student or consumer. Public transparency should be written for the people who are affected by the system.

Recommendation 5. Canada should develop a simple AI Transparency Notice for higher impact systems. It should explain what the system does, why it is being used, important limits, who is responsible, what information is used, and how a person can raise a concern.

For higher impact AI systems, the notice should also explain whether the organization has tested the system for unfair or different outcomes across groups. This is where the Black community perspective is essential.

An organization should not be able to say a system is fair simply because its overall accuracy looks strong. A system can perform well overall and still perform poorly for a particular community.

Recommendation 6. For higher impact AI systems, transparency should include appropriate information about testing for unequal or discriminatory outcomes, including racial differences where relevant and lawful.

6. Reporting Serious AI Incidents

AINBI supports the discussion paper proposal to improve the tracking of serious incidents related to AI systems. Canada needs a way to learn when AI systems fail in ways that cause significant harm.

We encourage the Government of Canada to define serious harm broadly. Harm from AI is not limited to physical injury. A person may lose an employment opportunity, be denied an important financial service, be wrongly identified, experience fraud, lose access to a service or face discriminatory treatment.

Recommendation 7. A national AI incident reporting approach should include serious economic harm, discriminatory outcomes, privacy harms, fraud, harmful misidentification, security failures and loss of access to important services.

Incident reporting should also help identify patterns. One individual complaint may look isolated. Many similar complaints affecting Black applicants, workers or consumers may reveal a systemic issue that deserves attention.

Recommendation 8. Canada should publish useful aggregated information about serious AI incidents when this can be done without exposing personal information or legitimate confidential business information.

7. Tracking the Actions of AI Agents

The discussion paper recognizes that AI systems are beginning to do more than provide information. AI agents can take actions, communicate with other systems and make choices within the authority they are given. This creates a new accountability challenge.

AINBI believes that as AI systems become more independent, responsibility must become clearer, not weaker.

Recommendation 9. When an AI agent takes an important action, there should be a reliable record showing which system acted, what authority it had, what action it took, when it acted, and which person or organization is accountable.

This is especially important where an AI agent can make purchases, move money, enter agreements, change access to services or take other actions with significant consequences.

Recommendation 10. For consequential actions, organizations should use appropriate human confirmation, limits on authority and easy ways to stop or reverse actions when possible.

AINBI supports a simple principle: more AI autonomy must never mean less accountability.

8. A Black Community Lens on AI Transparency

The federal discussion paper is national in scope. AINBI believes the final approach will be stronger if it also asks how transparency works for communities that have experienced exclusion or unequal treatment.

Black Canadians should be able to see whether AI systems are reinforcing old barriers. This is particularly important in areas where decisions have a direct effect on economic security and opportunity.

Employment

AI is increasingly used to review resumes, rank candidates, assess interviews, monitor employees and support performance decisions. These tools may save time, but they can also make unfair decisions harder to see.

Black applicants and workers should know when AI materially influences an employment decision. Employers should remain responsible for the outcome and there should be a reasonable path to human review.

Financial Services

AI can influence credit, lending, insurance, fraud detection and other financial decisions. These decisions can shape whether a person can build credit, access capital, protect a business or recover from a financial setback.

Where AI materially affects a major financial decision, people should receive a clear explanation of its role and have a way to ask for review. Canada should also pay attention to patterns that may show unequal outcomes for Black consumers or entrepreneurs.

Public Services

When governments use automated or AI supported systems in public services, transparency should be especially strong. People should know when AI contributes to a decision about a benefit, service or other important government process.

Public trust requires more than saying that a system is efficient. Government should be able to explain how the system is used, who is accountable and how a person can challenge an error.

Representation and Governance

Black communities should not only be studied as groups affected by AI. Black experts and community leaders should be part of the institutions that create AI rules, standards, research priorities and evaluation methods.

Recommendation 11. The Government of Canada should create ongoing opportunities for Black researchers, founders, youth, women, professionals and community organizations to participate in AI governance and policy development.

9. Transparency Must Also Support Black Innovation

AINBI wants to make one point very clear. A Black community approach to AI policy cannot focus only on risk. It must also focus on opportunity.

Canada is investing in AI because the technology can create productivity, businesses, jobs, research and new forms of economic value. Black Canadians should share in those benefits.

We want to see more Black founders building AI companies, more Black researchers leading AI work, more Black owned firms receiving contracts, more Black students entering AI careers, and more Black leaders participating in investment and governance decisions.

Transparency rules should help create trust without creating unnecessary barriers for smaller companies. Large technology firms have legal teams and compliance staff. Many Black founders and early stage businesses do not.

Recommendation 12. Canada should provide simple templates, training, technical guidance and practical compliance support so Black entrepreneurs and small businesses can meet AI transparency expectations without being pushed out of the market.

Federal procurement and innovation programs can also help. When government buys AI products and services, it can reward responsible practices while creating more opportunities for Canadian small businesses and underrepresented founders.

10. From Protection to Participation, Leadership and Ownership

AINBI believes Canada should measure inclusion in AI by more than who uses the technology. We should also ask who builds it, who owns it, who receives investment, who holds intellectual property, who wins contracts and who sits at decision making tables.

These questions are connected to transparency because transparent markets and public programs make it easier to see who is benefiting from public investment and whether opportunity is being shared.

Canada should improve evidence about Black participation across AI education, research, employment, entrepreneurship, procurement, investment and leadership. Better information will help government and industry see where barriers remain and whether current programs are working.

11. Conclusion

AINBI supports the Government of Canada effort to strengthen trust in artificial intelligence through greater transparency. The discussion paper identifies the right practical questions. Canadians need better ways to identify AI generated content, know when AI is part of an interaction, understand the systems affecting them, learn from serious incidents and trace the actions of AI agents.

For Black Canadians, these issues are closely connected to fairness and economic opportunity. Transparency should make it easier to identify harmful patterns, ask questions and seek recourse. It should also create clearer expectations for organizations using AI in areas that affect jobs, money, services and opportunity.

But Canada should not build an AI policy framework that sees Black communities only through the lens of risk. Black Canadians must also be part of the opportunity created by AI.

Our communities should be present as builders, founders, researchers, workers, investors, policy leaders and owners. We should have a voice in the rules and a fair chance to benefit from the economy those rules help shape.

AINBI Policy Framework

- Protect communities from harm.
- Participate in the design and governance of AI.
- Lead in research, policy, business and innovation.
- Own the companies, intellectual property and economic opportunities created by AI.

This is the approach AINBI believes can help Canada build an AI future that is transparent, trusted and genuinely inclusive.

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