Technology and Regulation

Beyond Personhood: The Evolution of Legal Personhood and Its Implications for AI Recognition

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Abstract

This paper investigates the evolving boundaries of legal personhood and assesses their applicability to artificial intelligence (AI) systems. Tracing historical precedents—from Roman law's persona ficta to the legal recognition of corporations, trusts, and environmental entities—it argues that legal personhood has historically served functional governance goals rather than reflecting moral agency. As AI systems increasingly exhibit autonomy, adaptability, and influence in high-stakes domains such as finance, healthcare, and law enforcement, questions emerge about whether current legal doctrines can accommodate these developments without undermining core principles of human accountability and ethical responsibility. Through a comparative and theoretical analysis of rights-based, functionalist, agency-based, and hybrid models of personhood, the paper critiques the viability of conferring legal status on AI. It proposes a context-dependent model of limited recognition that preserves ultimate liability with human actors while addressing regulatory gaps in oversight and enforcement. The study further analyses the retreat from "electronic personhood" proposals in the EU and global legislative trends to underscore the importance of preserving human-centred legal frameworks amid rapid technological transformation. In doing so, it offers a structured roadmap for policymakers seeking to balance innovation, accountability, and fundamental rights in the governance of AI.

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1. Introduction

1.1 The Evolving Function of Legal Personhood in Contemporary Governance

Legal personhood—the capacity of an entity to bear rights and duties within a legal system—has historically served as a flexible doctrinal tool, adapting to changing societal, economic, and political imperatives. Originating from the Roman law notion of *persona ficta*, which allowed collective bodies such as municipalities and religious institutions to act as juridical subjects, legal personhood evolved into a pragmatic instrument of governance rather than a recognition of moral worth. Over centuries, courts and legislatures extended this legal status to guilds, charitable trusts, and later corporations, enabling continuity in legal obligations beyond the lifespan or identity of individual members. This doctrinal elasticity allowed legal systems to manage complex institutions, assign responsibility, and centralise authority—particularly in contexts requiring stable commercial relations, such as the rise of joint-stock companies and transnational enterprises[1].

This functional deployment of personhood was never limited to the corporate realm. Environmental entities—such as the Whanganui River in Aotearoa New Zealand[2]—and fiduciary constructs like trusts[3] have also been granted legal standing in order to achieve governance goals that human-centric paradigms could not adequately support. In each instance, legal recognition served instrumental needs: insulating liability, streamlining asset control, and reinforcing institutional legitimacy[4]. What emerges from these trajectories is a jurisprudential practice wherein personhood is not anchored in inherent qualities such as consciousness or volition, but in the capacity of an entity to fulfil socially significant functions[5].

Against this historical backdrop, the emergence of artificial intelligence (AI) as a transformative force demands renewed scrutiny of legal personhood. AI systems are increasingly capable of tasks that formerly required human cognitive labour—ranging from algorithmic trading and predictive policing to radiological diagnosis and autonomous navigation[6]. Their autonomy, opacity, and capacity for real-time decision-making strain the parameters of traditional liability regimes, particularly when these systems operate with minimal human supervision[7]. Legal systems must now confront a dual challenge: whether to recognise AI as a legal person in its own right and, if not, how to adapt existing frameworks to ensure effective regulation and accountability.

A key point of departure lies in recognising that AI does not fit neatly into pre-existing categories such as corporate or environmental personhood. Corporations, despite being artificial entities, remain embedded within networks of human control—via shareholders, directors, and officers—who can be held accountable through legal and fiduciary obligations[8]. In contrast, AI systems—especially those employing self-modifying machine learning techniques—are capable of generating outputs unforeseen even by their developers, undermining the causal and volitional predicates that underlie most forms of human-centred liability[9].

1. V Kurki, A Theory of Legal Personhood (OUP 2019).
2. Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 (NZ); V Strang, 'The Rights of the River: Water, Culture and Ecological Justice' in Conservation (Springer 2019)https://doi.org/10.1007/978-3-030-13905-6_8
3. R Sitkoff, 'Fiduciary Principles in Trust Law' in E Criddle, P Miller and R Sitkoff (eds), The Oxford Handbook of Fiduciary Law (OUP 2018)https://doi.org/10.1093/oxfordhb/9780190634100.013.3.
4. M Hildebrandt, 'Legal Personhood for AI?' in Law for Computer Scientists and Other Folk (OUP 2020) https://doi.org/10.1093/oso/9780198860877.003.0009
5. V Kurki, Legal Personhood (CUP 2023) https://doi.org/10.1017/9781009025614
6. M Laukyte, 'AI as a Legal Person' (2019) Proc Int'l Conf on AI and Law 67.
7. M Naidoo, 'AI and Legal Personhood: An African Perspective' (2022) Proc AIES.
8. P Benson and S Kirsch, 'The Capitalist Corporation' in The International Encyclopedia of Anthropology (Wiley-Blackwell 2018)
9. A Sen, 'Artificial Intelligence and Autonomous Systems: A Legal Perspective on Granting Personhood and Implications of Such a Decision' (2023) 4 DME Journal of Law 25

Moreover, AI is neither a beneficiary of constitutional protections nor a stakeholder with interests of its own, which challenges the normative coherence of granting it formal legal status[10].

Nonetheless, some scholars and policymakers argue that granting limited legal standing to AI—particularly in high-risk or high-autonomy contexts—could enhance transparency, facilitate liability attribution, and deter negligent design or deployment[11]. Others caution that such a move risks creating a legal fiction that could shield human actors from accountability, as occurred historically when corporate personhood was exploited to deflect responsibility and claim rights unmoored from ethical obligation[12]. The European Union's withdrawal of the proposed AI Liability Directive in 2025, after sustained industry resistance and limited political support, underscores this ambivalence. While the EU has pivoted toward a risk-based framework under the AI Act, it remains hesitant to enshrine AI as a distinct legal subject[13].

This paper thus begins from the premise that legal personhood, while doctrinally malleable, must not be applied to AI without rigorous theoretical and practical scrutiny. Importantly, the issue of AI personhood should be analytically distinguished from liability assignment, even though they may intersect in practice. Liability can be structured through doctrines such as strict liability, vicarious liability, or fiduciary responsibility without conferring formal personhood upon the AI entity itself[14]. Recognising this distinction clarifies the central normative question: should AI be treated as a bearer of rights and obligations, or should human actors remain the exclusive legal subjects in all cases of AI-driven harm?

To answer this, one must examine whether AI satisfies the theoretical criteria historically used to justify extensions of personhood—whether based on rights-based entitlements, functional necessity, or agency-based models of intentionality[15]. The task is not merely academic. Decisions about legal status influence liability schemes, regulatory enforcement, and the ethical framing of AI's societal role. The introduction of a new legal category—whether a form of limited e-personhood or a sui generis regulatory subject—may offer a middle ground. However, any such framework must preserve the core legal principle of human accountability while addressing the structural challenges posed by increasingly autonomous systems.

Overall, the legacy of personhood as a strategic legal construct highlights the stakes in extending or withholding such status from AI. The historical progression from *persona ficta* to corporate and ecological personhood reveals that law has long been willing to innovate when confronted with governance gaps. Yet AI's distinct lack of moral agency, subjective experience, and embedded human oversight introduces unprecedented complexity. This paper argues that neither full personhood nor total exclusion is sufficient; instead, a hybrid and domain-specific approach may best reconcile the competing demands of innovation, justice, and human dignity[16].

1.2 Research Aims and Key Questions

This paper examines whether the evolving capabilities and socio-technical integration of AI warrant the extension of legal personhood, or whether alternative governance frameworks offer more coherent, accountable, and ethically sustainable approaches. In this context, "legal personhood" denotes the formal recognition of an entity as a bearer of rights and obligations within a legal system, while "AI autonomy" refers to a system's capacity to make decisions or perform tasks independently of continuous human input[17].

10. E Mik, 'AI as a Legal Person?' (2020) SSRNhttps://doi.org/10.2139/ssrn.3616732
11. R Dremliuga, P Kuznetcov and A Mamychev, 'Criteria for Recognition of AI as a Legal Person' (2019) 12(3) J of Politics and Law 105.
12. S Ripken, 'Constitutional Dimensions of the Corporate Person: Corporate Free Speech' in Corporate Personhood (CUP 2019)
13. European Commission, Commission Work Programme 2025: Moving Forward Together – A Bolder, Simpler, Faster Union COM(2025) 45 final
14. R Pusztahelyi, 'Towards a European AI Liability System' (2021) Multidiszciplináris Tudományok 5 35
15. K Militsyna, 'Legal Personhood for Artificial Intelligence: Pro, Contra, Abstain?' (2022) Teisė 122(10)
16. L McDonald, 'AI Systems and Liability: An Assessment of the Applicability of Strict Liability & A Case for Limited Legal Personhood for AI' (2023) 3 St Andrews Law Journal 1
17. V Kurki, A Theory of Legal Personhood (OUP 2019); M Laukyte, 'AI as a Legal Person' (2019) Proc ICAIL 67.

Historically, personhood has been extended to non-human entities such as corporations, trusts, and natural features not because they possess consciousness or moral agency, but to serve instrumental governance functions[18]. These precedents—from the corporate veil to environmental guardianship regimes—highlight the law's capacity to construct legal fictions to accommodate evolving institutional needs[19]. However, AI systems challenge this model by combining scale, opacity, and real-time adaptability across critical sectors such as healthcare, finance, transportation, and policing[20]. Unlike traditional artificial persons, AI systems are not accountable through human-centred ownership or fiduciary governance structures, nor do they consistently operate within the normative boundaries required for trust-based regulation [21]. The core research question is thus whether the absence of sentience and moral agency fatally undermines the legal logic that has previously supported artificial personhood, or whether a recalibrated model—anchored in contemporary risks and technological realities—can offer a defensible basis for recognition.

This inquiry is further motivated by mounting concerns about the intersection between AI functionality and the erosion of human rights protections. As algorithmic systems increasingly influence decisions about liberty, eligibility, access, and risk, legal systems must respond to challenges around transparency, due process, and discrimination[22]. To that end, this paper investigates whether current legal doctrines—particularly those governing liability—are adequate for the novel risk environments AI creates, or whether they require substantial reinterpretation or supplementation. The now-abandoned AI Liability Directive (COM(2022) 496 final) once signalled the European Union's willingness to develop tailored liability standards for AI. However, the European Commission's 2025 Work Programme confirmed its formal withdrawal, citing not only limited consensus among member states but also considerable resistance from corporate actors concerned about innovation constraints and potential litigation exposure [23]. This reveals a crucial political dynamic: the direction of AI governance is shaped as much by regulatory caution and industrial lobbying as it is by normative legal reasoning[24].

In light of this shift, the paper interrogates whether functional analogies to past personhood expansions—such as the recognition of corporations for commercial efficiency or natural entities for environmental preservation—can meaningfully inform the status of AI [25]. While such analogies are often invoked to legitimise AI personhood, they risk masking important differences: corporations and rivers may be legally constructed as persons, but their governance is either human-directed or institutionally embodied. AI systems, by contrast, execute operations based on adaptive algorithms whose internal logic may be inaccessible even to their designers, particularly in neural network-based models[26]. This opacity raises the risk that personhood could be misused to deflect responsibility rather than enhance it.

Accordingly, the second axis of this research examines whether AI's integration into decision-making infrastructures can be governed through enhanced liability doctrines without invoking personhood at all. Legal tools such as strict liability, vicarious liability, and product liability offer established pathways to ensure accountability for harm without requiring that the AI itself be granted legal status[27]. These doctrines, however, often presuppose clear chains of causation and identifiable defendants—conditions that may not hold in decentralised, multi-actor AI ecosystems[28]. In the wake of the Directive's withdrawal, the European Commission's strategy now favours extending risk-based obligations through the AI Act (COM(2021) 206 final), emphasising system classification, transparency duties, and auditability[29]. The question remains

18. V Kurki (n 5)
19. R Sitkoff, 'Fiduciary Principles in Trust Law' in The Oxford Handbook of Fiduciary Law (OUP 2018); Te Awa Tupua Act 2017 (n 2)
20. *A Sen (n 9)*
21. J Oh, 'Legal Relations Related to Artificial Intelligence' (2023) 14(2) Chungbuk National University Law Review 143
22. M Naidoo (n 7)
23. European Commission (n 13)
24. M Buiten, A Streel and M Peitz, 'EU Liability Rules for the Age of Artificial Intelligence' (2021) SSRNhttps://doi.org/10.2139/ssrn.3817520
25. J Jowitt, 'Assessing Contemporary Legislative Proposals for Their Compatibility with a Natural-Law Case for AI Legal Personhood' (2020) 36 AI & Society 499
26. C Sharkey, 'A Products Liability Framework for AI' (2024) Science and Technology Law Reviewhttps://doi.org/10.52214/stlr.v25i2.12763
27. R Pusztahelyi (n 14)
28. L McDonald (n 16)
29. Regulation (EU) 2024/1689 of 13 June 2024 on Artificial Intelligence [2024] OJ L 1689

whether this architecture, grounded in ex ante compliance, can be sufficiently robust without reformulating post hoc liability.

Finally, this paper evaluates the potential normative consequences of granting AI some form of legal personhood or status recognition. While this could arguably facilitate the attribution of obligations—particularly in contexts where AI acts with a high degree of autonomy—it also risks enabling moral hazard[30]. Developers or corporate controllers might externalise blame to legally recognised AI entities, thus undermining incentives for responsible design, testing, and oversight[31]. Such an outcome would mirror concerns long voiced in corporate law, where personhood has at times been used to obscure the actions of individuals or diffuse institutional accountability[32].

Overall, the research is guided by three interrelated questions. First, can AI's functions and effects be meaningfully analogised to those entities previously recognised as legal persons? Second, are existing legal doctrines—particularly in liability law—capable of governing AI's harms and risks without requiring new legal identities? Third, if personhood is deemed inappropriate or risky, what alternative structures can ensure robust accountability, ethical oversight, and protection of fundamental rights? These questions are framed within a mutually exclusive and collectively exhaustive schema that distinguishes between status attribution and governance design.

Through this inquiry, the paper seeks to contribute a principled and practically grounded framework for evaluating AI's role in legal systems. By decoupling the normative foundations of legal personhood from the regulatory imperatives of liability and risk management, it argues for a calibrated, context-specific approach that privileges human-centred responsibility. In doing so, it supports the broader trajectory of the European Union and other jurisdictions in resisting premature personification of AI, while advocating for more nuanced liability frameworks that reflect the complexity of modern algorithmic systems[33].

1.3 Methodological Approach and Structure

This paper adopts an integrated, comparative methodology designed to capture both the historical evolution of legal personhood and the novel regulatory, ethical, and ontological challenges introduced by AI. By anchoring the inquiry in legal genealogy, theoretical models, and jurisdictional analysis, the study offers a robust evaluative framework for examining whether and how AI could be assimilated into existing or emergent legal categories.

The first step in this approach is historical-comparative. It situates current debates over AI legal status within the longer arc of legal innovations that have extended personhood to non-human entities. Beginning with the Roman doctrine of *persona ficta*, which allowed collective bodies to function as juridical subjects for purposes of taxation, governance, and succession, the analysis traces the gradual expansion of personhood through medieval guilds, fiduciary instruments, corporate charters, and ecological rights regimes[34]. This comparative foundation is crucial for understanding the doctrinal malleability of legal personhood and its contingent relationship to moral agency. Precedents such as corporate and environmental personhood were often justified not by inherent qualities of the entity but by instrumental considerations: the need to centralise accountability, preserve continuity in legal obligations, or facilitate asset management[35]. Reframing AI in light of these precedents allows for a structured interrogation of whether its functional autonomy and learning capacity resonate with earlier expansions, or whether they demand new jurisprudential tools.

Building on this legal-historical framework, the second stage integrates a set of interlocking theoretical models—rights-based, functionalist, and agency-based approaches—to delineate the normative and doctrinal boundaries of personhood. A rights-based model anchors legal status in the presence of sentience

30. N Banteka, 'Artificially Intelligent Persons' (2020) SSRNhttps://doi.org/10.2139/ssrn.3552269
31. R Dremliuga and others (n 11)
32. S Ripken (n 12)
33. K Militsyna (n 15)
34. V Kurki (n 5); M Bettetini, 'Finzioni a fin di bene: la persona ficta...' (2023) Mediaevalia Textos e Estudos 40
35. R Sitkoff (n 3); V Strang, The Rights of the River (Springer 2019)

or moral subjectivity, thus generally excluding AI due to its lack of experiential consciousness or ethical intentionality[36]. Functionalist reasoning, by contrast, emphasises the regulatory utility of attributing rights and duties to an entity regardless of its cognitive traits—an approach often used to justify corporate personhood and potentially relevant in high-stakes AI deployments[37]. The agency-based perspective tests whether AI systems can be treated as agents capable of legal responsibility, even in the absence of full moral accountability, by assessing whether their behaviour approximates volitional or goal-directed decision-making[38]. By synthesising these three lenses into a mutually exclusive yet collectively exhaustive matrix, the paper clarifies under what conditions, if any, AI might satisfy the minimum thresholds for legal recognition as a person or sui generis subject.

To operationalise these abstract models, the third analytical layer applies them to comparative case studies and regulatory developments across key jurisdictions. Special attention is given to the European Union's legal trajectory, particularly the withdrawal of the AI Liability Directive as noted in the 2025 Commission Work Programme[39]. This withdrawal marked a definitive policy pivot away from speculative constructs like "electronic personhood" and toward a more grounded, risk-based regulatory strategy under the AI Act[40]. Rather than pursuing metaphysical debates, EU institutions have favoured empirical categorisation, compliance audits, and ex ante obligations for high-risk AI systems[41]. Similarly, the United States has emphasised transparency and consumer protection through existing tort and administrative regimes, albeit without legislative consensus on AI legal status[42]. In China, a centralised approach combines algorithmic regulation, platform accountability, and stringent licensing conditions—yet refrains from recognising AI as a separate juridical entity[43]. Notably, each of these jurisdictions displays a shared reluctance to grant AI formal personhood, instead preferring to regulate human actors and institutions responsible for AI development and deployment. This comparative lens reinforces the paper's normative stance: that legal innovation must prioritise accountability and human rights over the premature conferral of artificial legal status.

The overall structure of the paper mirrors this tripartite methodology. Section II explores the evolution of legal personhood from Roman legal fictions to contemporary extensions in corporate, fiduciary, and environmental domains. Section III synthesises and evaluates the three major theoretical approaches to legal personhood, applying them to the unique attributes and limitations of AI systems. Section IV examines how jurisdictions such as the EU, US, and China translate these conceptual challenges into regulatory strategies, with particular attention to the tensions between innovation, liability, and human oversight. Section V distils the core insights into a set of policy-oriented recommendations, including the proposal of a hybrid model that balances the need for context-specific legal capacity with enforceable human accountability. The concluding section reflects on how future developments may demand adaptive legal instruments capable of governing AI's transformative impact while remaining rooted in principles of democratic legitimacy, transparency, and rights protection.

This methodological design—historical, theoretical, and empirical—ensures that the inquiry remains grounded in doctrinal realities while addressing the conceptual innovations required to engage with intelligent systems. By rejecting superficial analogies and instead focusing on structural continuity and

36. N Banteka (n 30); M Franceschini, 'Traditional Conceptions of the Legal Person and Nonhuman Animals' (2022) 12 Animals 2590
37. Y Burylo, 'Legal Personhood of Artificial Intelligence Systems: To Be or Not to Be?' (2022) Ukrainian Journal of International Law http://pgp-journal.kiev.ua/archive/2022/2/2.pdf
38. J Oh (n 21); D Powell, 'Autonomous Systems as Legal Agents: Directly by the Recognition of Personhood or Indirectly by the Alchemy of Algorithmic Entities' (2020) 18 Duke L & Tech Rev 306
39. European Commission (n 13)
40. European Commission, 'Proposal for a Directive on Adapting Non-Contractual Civil Liability Rules to Artificial Intelligence (AI Liability Directive)' COM(2022) 496 final
41. Regulation (EU) 2024/1689 (n 29)
42. Federal Trade Commission, 'Protecting Consumers from Algorithmic Discrimination: Policy Statement on Biometric Information and Section 5 of the FTC Act' (2023) https://www.ftc.gov/system/files/ftc_gov/pdf/p225402biometricpolicystatement.pdf; National Institute of Standards and Technology, 'AI Risk Management Framework' (2023)https://nvlpubs.nist.gov/nistpubs/ai/NIST.AI.100-1.pdf .
43. L Wang, 'Reflections on the Regulation of Algorithms in China: Legal Reform and an Ethical Response' in H Wang (ed), Quo Vadis, Sovereignty? New Conceptual and Regulatory Boundaries in the Age of Digital China (Springer Nature Switzerland 2023) 109–130

regulatory function, the paper provides a defensible and nuanced path forward for legal systems navigating the ethical and institutional disruptions caused by advanced AI technologies.

2. The Evolution of Legal Personhood in History

2.1 Roman Roots: *Persona Ficta* and Legal Pragmatism

The Roman concept of *persona ficta* established a foundational precedent for legal personhood as a strategic juridical device rather than a reflection of inherent moral status. Emerging in classical Roman jurisprudence, this legal fiction allowed organised collectives—such as religious orders, guilds, and municipal bodies—to act as unitary legal subjects distinct from their constituent members[44]. This innovation responded to pressing administrative needs in the Roman Republic and early Empire, where legal continuity and administrative efficiency were vital to managing public infrastructure, temple holdings, and the increasingly complex distribution of property and taxation rights[45]. By attributing a singular legal identity to these collectives, Roman jurists could resolve problems of succession, debt enforcement, and contractual liability in a coherent, repeatable manner.

Significantly, this legal evolution was not premised on any belief in the moral agency, dignity, or sentience of these artificial entities. Rather, it was driven by a logic of functionality: the governance needs of a growing polity required enduring structures capable of maintaining obligations across generational change and membership turnover[46]. Legal personhood thus became an administrative workaround, one that permitted institutions to enter into legal relations, sue and be sued, and hold property autonomously from their human representatives.

This instrumental orientation is further evident in the treatment of ecclesiastical institutions under Roman and, later, canon law. The Catholic Church, for instance, was one of the earliest entities to be endowed with a perpetual legal personality, enabling it to acquire land, contract legally, and shield its clergy from personal liability in disputes involving ecclesial holdings[47]. The Church's legal subjectivity allowed it to operate across jurisdictions, accumulate wealth, and enforce its interests without the fragility that would attend personal legal standing for each bishop, monk, or cleric. Such a model exemplified how *persona ficta* could serve as a powerful mechanism for institutional endurance, financial independence, and regulatory clarity[48].

Importantly, this form of personhood was neither expansive nor egalitarian. It was tightly scoped to serve governance objectives and applied selectively, often excluding groups deemed politically undesirable or economically irrelevant[49]. The Roman approach to artificial personality thus exemplifies a tradition in which legal personhood functioned less as a marker of rights than as a tool of regulatory design—flexible, contingent, and purpose-built.

This legacy matters for contemporary debates about AI. Just as Roman jurists invoked *persona ficta* to stabilise economic and institutional practices, today's legal theorists must consider whether extending personhood to AI would achieve comparably functional outcomes, particularly in domains where human oversight is increasingly minimal. Yet any such move must also confront the limits of analogy: unlike ecclesiastical entities or guilds, AI lacks not only consciousness but also human-directed internal governance. By revisiting the Roman template, we gain clarity on the origins of personhood as a legal artefact—a construct wielded to address problems of coordination, not to affirm moral status[50].

44. V Kurki and K Pietrzykowski, Legal Personhood: Animals, Artificial Intelligence and the Unborn (Springer 2017) ch 2.
45. M Bettetini (n 34)
46. J Raz, The Authority of Law: Essays on Law and Morality (OUP 2009).
47. M Laukyte (n 6)
48. V Strang (n 35)
49. C Pelloso, 'Serviles personae in Roman Law: "Paradox" or "Otherness"?' (2018) 3 Journal of Global Slavery 92
50. V Kurki (n 5)

2.2 Rise of Corporate Personhood: Economic Catalysts and Legal Justifications

The emergence of corporate personhood during the industrial era offers a paradigmatic example of how legal personhood has historically functioned as a governance tool, rather than a reflection of moral or sentient status. As industrialisation accelerated and global trade networks expanded in the nineteenth century, existing legal frameworks struggled to accommodate increasingly large, complex, and capital-intensive ventures[51]. Entrepreneurs required legal constructs that could shield individual investors from unlimited liability, allow for perpetual succession, and facilitate the accumulation and deployment of vast financial resources[52]. Recognising these imperatives, lawmakers and jurists devised institutional solutions that transformed the corporation into a distinct legal person—a juridical subject capable of owning property, entering into contracts, and appearing in court independently of its shareholders, managers, or founders[53].

This transformation was not simply theoretical; it was embedded in a series of landmark judicial and legislative acts, particularly in common law jurisdictions. In the United States, for instance, *Dartmouth College v. Woodward* (1819) established that a corporate charter constituted a contract protected under the Constitution, thereby shielding private corporations from undue state interference[54]. This decision underscored the principle that corporations possess a continuous identity distinct from the fluctuating membership of their constituents. The logic of permanence and autonomy was further expanded in *Santa Clara County v. Southern Pacific Railroad* (1886), where the U.S. Supreme Court accepted—albeit through the court reporter's headnote—that corporations are entitled to protection under the Fourteenth Amendment[55]. Although initially applied to property and procedural rights, this recognition gradually extended to include elements of free speech, due process, and equal protection, forging an unprecedented juridical status for corporate entities[56].

Notably, these developments were driven not by ethical reflection on the nature of corporate "being," but by instrumental reasoning. Courts and legislatures focused on the stabilising and incentivising functions that corporate recognition could provide within capitalist economies[57]. Legal personhood was thus deployed to secure investment, streamline regulation, and delineate lines of responsibility in an increasingly complex economic order[58]. The core rationale was organisational functionality: to create entities that could interact with legal systems in ways analogous to natural persons, without conflating their status with human dignity, autonomy, or moral responsibility[59].

The doctrinal flexibility of corporate personhood also facilitated its export across jurisdictions, allowing for legal harmonisation in transnational commerce. It enabled states to regulate tax liabilities, impose duties of disclosure, and enforce standards of care in corporate governance[60]. Yet, over time, the same personhood that legitimised economic activity also began to generate normative controversy, particularly as corporations invoked constitutional protections in ways that threatened to outpace their original instrumental justification[61]. This drift from functional utility to strategic self-shielding is now a cautionary tale in debates about whether and how new entities—such as AI systems—should be granted legal standing[62].

51. P Benson and S Kirsch (n 8)
52. B Magee, 'Impersonal Personhood: Crafting a Coherent Theory of the Corporate Entity' (2019) 104 Cornell Law Review 497
53. S Watson, 'The Corporate Legal Person' (2018) 19 Journal of Corporate Law Studies 137
54. Trustees of Dartmouth College v Woodward 17 US (4 Wheat) 518 (1819) https://supreme.justia.com/cases/federal/us/17/518/; S Ripken (n 12)
55. Santa Clara County v Southern Pacific Railroad 118 US 394 (1886) https://supreme.justia.com/cases/federal/us/118/394/; N Paliewicz, 'How Trains Became People: Southern Pacific Railroad Co.'s Networked Rhetorical Culture and the Dawn of Corporate Personhood' (2019) 43 Journal of Communication Inquiry 194
56. N Bowie, 'Corporate Personhood v Corporate Statehood' (2019) SSRN https://ssrn.com/abstract=3556656
57. A Saad, 'Corporate Personhood: Possibilities for Progressive, Trans-Doctrinal Legal Reform' (2019) SSRN https://doi.org/10.2139/ssrn.3556811
58. D Gindis, 'Legal Personhood and the Firm: Avoiding Anthropomorphism and Equivocation' (2016) 12(3) Journal of Institutional Economics 499
59. V Kurki (n 5)
60. J Mahoney, 'Corporate Personhood and Fiduciary Duties as Critical Constructs in Developing Stakeholder Management Theory and Corporate Purpose' (2023) Strategy Sciencehttps://doi.org/10.1287/stsc.2023.0191
61. S Ripken (n 12)
62. C Reyes, 'Autonomous Corporate Personhood' (2020) Comparative Law eJournalhttps://ssrn.com/abstract=3776481.

Understanding the rise of corporate personhood through a functionalist lens foregrounds the broader insight that personhood is a legal artefact designed to serve social coordination, not a metaphysical statement about moral worth[63]. This distinction is crucial when considering AI, whose growing capacity to act autonomously in economic, legal, and operational domains has prompted renewed interest in whether a similar status might be appropriate or necessary. Yet any attempt to analogise AI to the corporation must proceed with care: whereas corporations remain ultimately governed by natural persons accountable under fiduciary and statutory regimes, AI systems—particularly those based on machine learning—lack a persistent internal agent to whom intentions and responsibility can be meaningfully attributed[64].

As the next section will show, this structural asymmetry between corporations and AI exposes the limits of functional analogy. While the legal architecture of corporate personhood illustrates how artificial entities can be juridically constructed for practical purposes, it also reveals how such constructions can evolve beyond their original scope, with implications that may erode accountability or inflate rights claims. This historical trajectory thus provides both a model and a warning for current deliberations about AI: personhood, when detached from institutional control and ethical grounding, may serve private power at the expense of public oversight[65].

2.3 Personhood for Non-Human Natural Entities: Environmental and Indigenous Perspectives

The recognition of legal personhood for non-human natural entities marks a significant departure from anthropocentric legal paradigms and demonstrates how juridical status can be reconceptualised in response to ecological and cultural imperatives. This emerging doctrine broadens the understanding of legal subjectivity by detaching it from sentience and individual autonomy and instead grounding it in systemic interdependence, ecological function, and relational worldviews[66]. Among the most influential and widely cited examples is the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017 in Aotearoa New Zealand, which confers legal personhood upon the Whanganui River[67]. This legislative act, grounded in Māori cosmology, recognises the river as an ancestor (*tupuna*) and living whole, thereby institutionalising Indigenous conceptions of kinship between humans and ecosystems[68]. It designates the river as a legal entity with rights and interests represented by appointed guardians (*Te Pou Tupua*), enabling the river to sue or be sued in its own name and ensuring its ecological and spiritual wellbeing is legally protected.

This fusion of Indigenous epistemologies with statutory recognition exemplifies how environmental personhood can emerge from culturally specific ontologies that resist the individualistic and property-centric assumptions embedded in Western legal traditions[69]. Yet the functional consequences extend beyond cultural symbolism. By attributing rights directly to an ecosystem, legislatures create a governance structure that can overcome the collective action and standing limitations that often impede environmental litigation[70]. Rather than relying on external stakeholders to demonstrate direct harm, the entity itself becomes the locus of legal claim-making, thereby reconfiguring environmental law into a rights-bearing framework that prioritises systemic integrity and intergenerational justice.

Comparable developments have occurred across multiple jurisdictions. In India, the Uttarakhand High Court in *Mohd Salim v. State of Uttarakhand* (2017) declared the Ganges and Yamuna rivers to be legal persons, a decision initially rooted in spiritual reverence and practical concerns about pollution and mismanagement[71]. Although subsequently stayed by the Supreme Court of India, the ruling remains symbolically powerful,

63. M Laukyte (n 6)
64. D Powell (n 38)
65. K Militsyna (n 15)
66. A Arstein-Kerslake, E O'Donnell, R Kayess and J Watson, 'Relational Personhood: A Conception of Legal Personhood with Insights from Disability Rights and Environmental Law' (2021) 30 Griffith Law Review 530
67. Te Awa Tupua Act 2017 (n 2)
68. V Strang (n 35)
69. M Kurki, 'Can Nature Hold Rights? It's Not as Easy as You Think' (2021) 11 Transnational Environmental Law 525.
70. J Bieluk (n 35)
71. Mohd Salim v State of Uttarakhand, Writ Petition (PIL) No 126 of 2014 (Uttarakhand HC, 20 March 2017) https://ielrc.org/content/e1704.pdf

reflecting the judiciary's willingness to innovate in the face of environmental degradation[72]. In Latin America, Ecuador's 2008 Constitution famously established the rights of nature (*derechos de la naturaleza*), granting ecosystems enforceable legal claims to restoration and preservation[73]. These constitutional provisions, embedded in an ecocentric legal philosophy, recast the environment as a co-subject of law rather than an inert object of regulation[74]. Such innovations signal a shift in legal thinking—from regulating externalities to affirmatively safeguarding ecological autonomy—without requiring sentience or cognition as prerequisites for protection.

Crucially, these frameworks often rely on representative mechanisms, wherein appointed guardians or public agencies act on behalf of the non-human entity. This surrogate model retains anthropogenic oversight but recasts the fiduciary relationship: the guardian serves the entity's systemic health, not human ownership or benefit[75]. The Whanganui framework, for example, not only protects the river but also embeds a co-governance model between Māori and the Crown, highlighting how environmental personhood can support decolonial governance practices alongside ecological goals[76].

From a jurisprudential standpoint, the recognition of environmental personhood underscores the law's ability to adapt legal subjectivity in service of pragmatic and normative goals. These cases do not assert that rivers or ecosystems possess consciousness or moral agency in the human sense. Rather, they reflect a willingness to expand the boundaries of personhood when traditional doctrines prove inadequate for protecting shared environmental goods or respecting Indigenous sovereignty[77]. The legal status conferred in such cases serves instrumental purposes: ensuring durable protection for natural systems, facilitating litigation, and affirming relational ontologies that transcend anthropocentric logic.

This functional expansion parallels historical extensions of personhood to corporations and trusts: in each case, the law recognised that conferring legal personality could streamline governance, clarify accountability, and insulate complex systems from the volatility of human membership[78]. The lesson for AI debates is twofold. First, legal personhood need not be grounded in moral agency to serve legitimate regulatory ends. Second, as with environmental entities, granting personhood to AI systems without clear governance structures or ethical constraints could create ambiguous zones of responsibility[79]. While environmental personhood often increases accountability through legal surrogacy, AI personhood risks decreasing it unless carefully bounded.

Ultimately, the emergence of environmental personhood exemplifies the law's adaptive potential. It reveals how legal systems can reimagine subjectivity not as a static trait but as a governance instrument, deployed to meet pressing socio-ecological challenges[80]. This precedent, however, also cautions that such extensions must be normatively grounded, procedurally robust, and designed to enhance—not undermine—accountability. As the paper transitions to theoretical models of personhood in Section III, these insights provide a critical lens through which to assess the plausibility and desirability of affording AI systems a comparable legal status.

2.4 Fiduciary and Trust Structures: Beyond the Corporate/Environmental Divide

Beyond corporate and environmental precedents, fiduciary and trust arrangements provide an additional illustration of how legal systems attribute quasi-personal status to non-human constructs for pragmatic governance purposes. Although trusts are not typically conceptualised as legal persons per se, they operate

72. M Nakazora, 'Environmental Law With Non-Human Features in India: Giving Legal Personhood to the Ganges' (2023) 43 South Asia Research 172.
73. Constitution of the Republic of Ecuador 2008, art 71–74.
74. M Maloney, 'Environmental Law: Changing the Legal Status of Nature' (2018) LSJ 78
75. E O'Donnell and A-K Arstein-Kerslake, 'Giving Rivers a Voice: Legal Personality as a Vehicle for Indigenous Governance' (2021) 30 Griffith Law Review 530
76. E O'Donnell and A-K Arstein-Kerslake (n 75); V Strang (n 35)
77. K Militsyna (n 15)
78. R Sitkoff (n 3); S Watson (n 53)
79. L McDonald (n 16)
80. V Kurki (n 5)

with a structured autonomy that mirrors many of the legal capacities associated with personhood[81]. Within equity law, a trust enables the separation of legal ownership—held by the trustee—from equitable entitlement, which resides with the beneficiary. The trust as an entity may hold property, enter contracts, and pursue legal claims, thereby exercising agency-like functions through its appointed fiduciary[82].

This delegation of rights and duties underscores the law's commitment to functional adaptability. In many jurisdictions, particularly within common law systems, the trust construct exists not as a person but as a legally protected relationship embedded with enforceable obligations. The trustee, acting under a fiduciary duty of loyalty, prudence, and impartiality, is compelled to pursue the best interests of the beneficiaries, often without direct oversight[83]. The effect is an arrangement that simulates the coherence and stability of a legal person while preserving human accountability within an asymmetric structure of rights and duties[84]. This structural separation—between the actor and the asset, between control and benefit—demonstrates that legal personhood, or something functionally proximate to it, can emerge through targeted delegation mechanisms even in the absence of anthropomorphic traits or institutional embodiment.

From a governance perspective, trusts exemplify how the law can engineer responsibility frameworks around entities that are neither human nor organisational in the corporate sense. Their flexibility permits the pursuit of long-term objectives—such as intergenerational wealth transfers, public charitable missions, or high-stakes asset pooling—without collapsing into traditional models of moral agency or direct representation[85]. This capacity to organise complex objectives under defined fiduciary obligations without ascribing full personhood is highly relevant to current debates surrounding AI.

As AI systems begin to manage assets, assess financial risk, or participate in contractual execution, the analogy to fiduciary governance becomes increasingly salient. An advanced algorithmic system, programmed to maximise returns, monitor market dynamics, or rebalance portfolios, may mirror the functional outputs of a human trustee[86]. In such scenarios, the key legal question is not whether AI possesses moral intuition or human empathy, but whether it is capable of fulfilling the technical and procedural standards necessary to protect beneficiary interests[87]. If AI tools are entrusted with fiduciary roles, existing legal doctrines may need to evolve to clarify liability, impose enforceable standards of care, and ensure transparency in algorithmic decision-making.

The analogy, however, has limits. While human trustees can be held personally accountable for breaches of duty, AI lacks volitional intent and cannot itself bear legal consequences in the absence of an institutional or corporate proxy[88]. This asymmetry underscores the importance of embedding AI within clearly defined governance structures that preserve human accountability while recognising the increasing functional centrality of non-human agents in fiduciary contexts[89]. Legal systems may need to formalise new intermediary statuses—akin to how trustees are empowered agents of an abstract legal relationship—without sliding into full personhood or undermining core principles of agency and liability.

Ultimately, trust law illustrates that legal authority can be diffused through formal relationships rather than centred on discrete, sentient persons. This insight may prove pivotal in constructing legal models for AI: ones that do not anthropomorphise machines but nonetheless regulate their participation in legal-economic systems through fiduciary logic[90]. In doing so, the law can preserve the coherence of human-centred

81. R Sitkoff (n 3)
82. G Virgo, 'Liability for Breach of Trust and Fiduciary Duty' in The Principles of Equity & Trusts (OUP 2020) ch 17
83. M Leung, 'Trust Duties and the Anti-Bartlett Rule: Zhang Hong Li v DBS Bank' (2020) 26(3) Trusts & Trustees 235.
84. S Watson (n 53)
85. J Mahoney (n 60)
86. M Schanzenbach and R Sitkoff, 'Reconciling Fiduciary Duty and Social Conscience: The Law and Economics of ESG Investing by a Trustee' (2020) SSRN https://doi.org/10.2139/ssrn.3244665.
87. L McDonald (n 16)
88. I Zikun, 'Culpa levissima and Substitution under Trust Administration' (2023) Lex Russica https://doi.org/10.17803/1729-5920.2023.205.12.021-031
89. D Powell (n 38)
90. K Militsyna (n 15)

oversight while acknowledging that AI, like the trust itself, may act as a juridical conduit for decision-making that profoundly shapes the distribution of rights, obligations, and economic power.

3. Theoretical Frameworks for Legal Personhood

3.1 Rights-Based Paradigm: Sentience, Moral Agency, and Ethical Considerations

The rights-based model of legal personhood maintains that moral subjectivity—defined by self-awareness, sentience, the capacity to experience harm, and the ability to participate in reciprocal moral relations—is the normative foundation for recognising legal subjects[91]. This model draws on philosophical and jurisprudential traditions that equate personhood with dignity, autonomy, and the moral responsibility intrinsic to beings capable of understanding and responding to legal obligations[92]. From this perspective, legal personhood is not a functional label but a recognition of ethical worth grounded in the ontology of the subject.

Historically, this framework has been advanced most forcefully in debates surrounding animal rights, particularly with respect to species such as chimpanzees, elephants, dolphins, and great apes. Courts in the United States, India, and Argentina have faced petitions arguing for the recognition of nonhuman animals as legal persons due to their demonstrable cognitive complexity, emotional intelligence, and social behaviour[93]. Yet despite growing scientific consensus regarding animal consciousness, courts have consistently declined to grant animals legal personhood, citing their inability to bear duties or comprehend legal relationships. The widely publicised *Happy the Elephant* case in New York (2022), for instance, reaffirmed this boundary: the court held that despite the elephant's intelligence and social capacity, personhood remained reserved for entities capable of assuming legal obligations and moral accountability[94].

When applied to AI, the rights-based paradigm encounters even greater limitations. Unlike animals, AI systems are not living beings, do not suffer, and possess no experiential consciousness or interiority[95]. While they may emulate decision-making or conversation, such behaviours are driven by algorithmic pattern recognition, not subjective volition or moral intentionality. As such, current AI systems fail the core threshold of rights-based personhood[96]. Granting legal subjectivity to AI on this basis would thus represent a fundamental rupture in the ethical logic underpinning this model.

Nevertheless, dismissing AI's legal relevance solely on rights-based grounds risks neglecting the increasing influence of AI on human rights themselves. AI technologies are already implicated in decisions about housing, employment, policing, credit access, and healthcare[97]. Their outputs may lead to discriminatory profiling, data-driven exclusion, or opaque decision-making that undermines individual autonomy and procedural fairness[98]. In this regard, the rights-based approach remains vital—not because AI deserves rights, but because its actions threaten the rights of others. The challenge, then, is not whether AI qualifies for rights-based recognition, but how this paradigm can be adapted to ensure that human rights are preserved in a world increasingly mediated by non-human agents.

This nuanced role of the rights-based model becomes evident in judicial treatment of AI-generated outputs and claims. In *Thaler v Vidal* (2022), the United States Court of Appeals held that an AI system cannot be an inventor under the Patent Act because inventorship presupposes a conscious agent capable of

91. V Kurki (n 5)
92. M Franceschini (n 36)
93. R L Cupp, 'Litigating Nonhuman Animal Legal Personhood' (2018) 50 Texas Tech Law Review 573; S Ripken (n 12)
94. Nonhuman Rights Project, Inc v Breheny 2022 NY Slip Op 03859 (NY Ct App, 14 June 2022) https://law.justia.com/cases/new-york/court-of-appeals/2022/52.html;P Sommaggio, 'Protecting My Mind: Cognitive Liberty, Commons, and Neurorights' in JA Seoane and O Vergara (eds), The Discourse of Biorights (Springer 2024) vol 109 International Library of Bioethics https://doi.org/10.1007/978-3-031-66804-3_9
95. M Laukyte (n 6)
96. E Mik (n 10)
97. P Hacker, 'The European AI Liability Directives – Critique of a Half-Hearted Approach and Lessons for the Future' (2022) arXiv 2211.13960
98. M Naidoo (n 7)

legal volition[99]. Similarly, courts have declined to treat algorithmic entities as autonomous rights-bearers, reaffirming that agency remains legally tethered to human intention. These rulings illustrate a consistent judicial reluctance to decouple rights from moral cognition.

Nonetheless, some scholars argue that the rise of AI presents a governance problem, not just a moral one[100]. They suggest that AI might require forms of quasi-legal recognition—not as moral agents, but as nodes within legal accountability structures. This suggestion challenges the rights-based model's binary logic and raises the possibility of creating new categories of "functional personhood" that acknowledge AI's societal impact without attributing it full ethical status[101].

Thus, while the rights-based paradigm imposes a high epistemic and moral bar for legal personhood, it also reveals critical tensions at the interface of ethics, technology, and law. The model's emphasis on sentience and moral agency serves as a safeguard against the instrumentalisation of legal status. Yet it must also respond to the practical realities of systems that, though lacking moral consciousness, can shape outcomes as profoundly as any human actor[102]. Whether personhood must remain ethically exclusive or can be reframed in light of regulatory necessity remains a key jurisprudential question. As the next sections will show, functionalist and agency-based approaches offer alternative pathways that address these gaps through different logics—ones that may prove more adaptable to the AI context without sacrificing accountability or normative clarity.

3.2 Functionalist Approach: Utility and Instrumental Justifications

The functionalist theory of legal personhood views personhood not as a moral or metaphysical entitlement, but as a juridical tool: a status extended to entities when doing so enhances legal coherence, governance efficacy, or societal welfare[103]. This model traces its lineage to instrumental legal pragmatism and focuses less on whether an entity possesses moral agency or sentience, and more on whether legal recognition can fulfil a particular institutional or regulatory function.

Historically, this functionalist logic has underpinned the legal recognition of corporations, trusts, and even non-human natural entities. In *Santa Clara County v Southern Pacific Railroad* (1886), the attribution of personhood to a corporation was not grounded in any belief that corporations have inner moral lives, but in the practical need to streamline litigation, secure property rights, and enforce constitutional protections necessary for stable commerce[104]. Similarly, the recognition of the Whanganui River in New Zealand as a legal person under the Te Awa Tupua Act was grounded in a functional goal: enabling long-term ecological protection and governance through a formal legal actor[105]. In both instances, personhood served as a legal innovation to remedy institutional failure—where traditional models of ownership, standing, or liability had proven insufficient to meet emerging social or environmental challenges[106].

Proponents of AI legal personhood draw directly from this tradition. They argue that granting AI systems a form of limited or circumscribed personhood could improve regulatory clarity, particularly in high-risk, high-autonomy contexts like algorithmic trading, autonomous vehicles, or healthcare diagnostics[107]. For instance, if an AI system performs independently of direct human control, enabling it to bear limited legal duties might simplify liability adjudication, encourage risk mitigation by developers, and facilitate more efficient legal processes[108]. Rather than insisting that AI meet the same moral thresholds as humans, the functionalist model asks whether legal outcomes—such as enforceability, transparency, or compensation—are better served by endowing the AI with a modulated legal identity.

99. Thaler v Vidal 43 F4th 1207 (Fed Cir 2022)
100. N Banteka (n 30)
101. K Militsyna (n 15)
102. R Dremliuga and others (n 11)
103. V Kurki (n 5)
104. L McDonald (n 16); Santa Clara County v Southern Pacific Railroad (n 55)
105. Te Awa Tupua Act 2017 (n 2); E O'Donnell and A-K Arstein-Kerslake (n 75)
106. J Bieluk (n 35)
107. M Laukyte (n 6)
108. J Jowitt (n 25)

However, critics warn that this instrumental approach, if adopted uncritically, may obscure deeper ethical and accountability concerns. The corporate analogy is instructive in this regard. Although functionalist reasoning justified the rise of corporate personhood, it also enabled powerful corporations to expand their constitutional protections, limit regulatory scrutiny, and dilute shareholder or executive responsibility[109]. In the context of AI, there is a parallel danger: conferring even a narrow form of personhood might allow developers or operators to evade liability by attributing harmful outcomes to the "decisions" of autonomous systems[110]. Without careful legal scaffolding, functional personhood could become a liability shield rather than a mechanism for accountability.

Moreover, there is a broader jurisprudential concern: that assigning functional personhood to AI could normalise the idea that such systems "own" decisions, potentially eroding human-centric principles in law[111]. This symbolic shift may distort the allocation of legal and moral responsibility in complex socio-technical systems. Recognising an AI as a legal person—even in a constrained form—could unintentionally weaken the expectation that human designers, deployers, and institutional sponsors remain ultimately answerable for harm, bias, or malfunction.

Despite these concerns, the functionalist approach retains significant traction in legal and policy discourse due to its alignment with regulatory pragmatism. In highly technical fields where harms are diffuse, causal chains opaque, and human oversight limited, legal systems often seek solutions that enhance ex ante governance rather than wait for ex post liability assignments[112]. Within this context, a carefully designed functional model for AI legal status—anchored in risk classification, transparency requirements, and strict human liability backstops—may enable more agile governance without extending rights or privileges unjustifiably[113].

To illustrate, several legal scholars have proposed intermediary legal categories akin to "electronic agents" or "registered algorithmic actors," which would allow for AI to hold defined duties without displacing human accountability[114]. These proposals typically include constraints: legal capacity would be narrowly defined by domain (e.g., contract execution), operational thresholds (e.g., autonomy levels), and human fallback structures (e.g., ultimate liability lies with the registering entity)[115].

In sum, the functionalist model is not primarily concerned with what AI is, but what law needs AI to be. It offers an appealing route for policymakers seeking to preserve efficiency and innovation while managing risk. Yet functionalism's appeal must be tempered by historical lessons: corporate personhood, once justified by administrative necessity, ultimately transformed into a vehicle for rights expansion and regulatory resistance. The challenge with AI is to craft a functional recognition model that prevents similar slippage—ensuring that what begins as a pragmatic solution does not evolve into a structural loophole[116].

3.3 Agency-Based Model: Autonomy, Intentionality, and Legal Responsibility

The agency-based model of legal personhood posits that recognition as a legal subject depends fundamentally on an entity's ability to act intentionally, form goals, and bear responsibility for the consequences of its actions[117]. Unlike the rights-based model, which emphasises sentience and moral worth, the agency paradigm is rooted in relational accountability: it requires that an agent be capable of entering into legal relations as a subject of duties as well as rights[118]. Legal agency in this view entails purposive action under conditions of volitional control, such that the agent can be held accountable within a normative

109. A Saad (n 57)
110. C Reyes (n 62)
111. N Banteka (n 30)
112. P Hacker (n 97)
113. European Commission, 'Proposal for a Regulation on Artificial Intelligence (AI Act)' COM(2021) 206 final.
114. G Teubner, 'Digital Personhood? The Status of Autonomous Software Agents in Private Law' (2018) SSRN https://doi.org/10.2139/ssrn.3177096.
115. M Buiten, A Streel and M Peitz (n 24)
116. K Militsyna (n 15)
117. D Powell (n 38)
118. M Hildebrandt (n 4)

legal framework. Historically, only human beings—and by extension, natural persons and human-controlled juridical entities—have been recognised as satisfying these conditions[119].

However, the increasing technical sophistication of AI challenges this traditional view. Modern AI systems, particularly those employing machine learning and reinforcement techniques, now perform complex tasks ranging from high-frequency stock trading and diagnostic imaging to autonomous vehicle navigation[120]. These systems adapt dynamically to environmental inputs, modify their internal parameters through iterative learning, and in some cases generate novel behaviours not explicitly foreseen by their programmers[121]. This capacity for operational independence has prompted scholars and policymakers to ask whether AI may exhibit a form of "functional autonomy" sufficient to warrant some form of legal agency[122].

Yet despite these advances, courts and legislators have so far resisted attributing legal agency to AI. In *Thaler v Vidal* (2022), the US Federal Circuit reaffirmed that inventorship requires a conscious, intentional act by a natural person, ruling that AI cannot qualify as a legal agent for purposes of intellectual property rights[123]. The judgment reflects a broader judicial consensus: absent moral cognition or subjective awareness, AI lacks the core predicate for agency under law[124]. Moreover, recognising AI as an autonomous legal agent could create serious accountability vacuums, enabling developers and operators to deflect liability onto algorithmic systems portrayed as independent decision-makers[125]. Such a move risks severing the causal chain of responsibility that legal systems rely upon to ensure redress, deterrence, and normative clarity.

Nevertheless, some theorists argue that this insistence on subjective consciousness may be too rigid in the face of emerging realities. If AI systems consistently exercise decision-making power in domains with high-stakes consequences—such as military targeting, autonomous medical triage, or judicial risk assessment—then refusing to acknowledge their de facto agency may lead to regulatory evasion and ethical incoherence[126]. In this view, the law must begin to differentiate between *moral agency* (the capacity to reason about right and wrong) and *functional agency* (the ability to act with structured autonomy in complex settings)[127]. While current AI lacks the former, it increasingly embodies the latter.

A related concern is the erosion of meaningful human oversight. As AI gains the veneer of autonomy, there is a risk that developers and institutions may increasingly "abdicate" their fiduciary roles, allowing algorithmic outputs to guide or supplant human judgment without adequate scrutiny[128]. In such scenarios, the legal fiction that humans remain fully in control becomes untenable, even as the formal structure of legal responsibility continues to rely on it[129]. This tension is especially pronounced in public governance and high-frequency decision environments, where the speed, scale, and opacity of algorithmic operations exceed the ability of human actors to intervene meaningfully[130].

Despite these trends, the agency-based model remains deeply tied to legal traditions that safeguard the moral and volitional underpinnings of responsibility. Courts have rightly been cautious: attributing agency to AI could open the door to assigning duties to entities that cannot internalise legal or ethical norms, undermining both deterrence and justice[131]. However, if AI systems continue to exercise material influence over legal outcomes, policy design, or resource allocation, there may be a normative need to develop

119. J Oh (n 21)
120. M Laukyte (n 6)
121. M Naidoo (n 7)
122. L McDonald (n 16)
123. Thaler v Vidal (n 99)
124. P Sommaggio, 'Protecting My Mind: Cognitive Liberty, Commons, and Neurorights' in JA Seoane and O Vergara (eds), The Discourse of Biorights (Springer 2024) vol 109 International Library of Bioethics https://doi.org/10.1007/978-3-031-66804-3_9
125. N Banteka (n 30)
126. D Kim, 'A Few Thoughts on the Legal Personhood of Artificial Intelligence' (2022) Legal Studies Institute of Chosun University 30(1) 165.
127. G Teubner (n 114)
128. A Sen (n 9)
129. R Dremliuga and others (n 11)
130. P Hacker (n 97)
131. E Mik (n 10)

intermediary forms of responsibility—ones that acknowledge AI's role as a causal agent without bestowing full legal personhood.

Such approaches may include registering AI systems as quasi-agents subject to direct regulation, imposing secondary liability on human actors who deploy or benefit from algorithmic outputs, or creating fiduciary obligations for operators to oversee AI behaviour[132]. These hybrid mechanisms would allow the law to adapt incrementally, balancing the structural autonomy of AI with the preservation of human-centred accountability. The agency debate thus highlights a central dilemma for contemporary jurisprudence: whether to preserve rigid doctrinal thresholds based on traditional notions of agency, or to develop more flexible legal categories that respond to the operational realities of intelligent systems.

As the analysis shifts in subsequent sections to hybrid models of AI legal status, the agency-based approach offers a crucial foundation. It underscores that any attribution of personhood—however limited—must account for both the expressive and instrumental functions of agency: not only the capacity to act, but the normative ability to answer for one's actions in a community of legal subjects.

3.4 Hybrid and Emerging Theories

While rights-based, functionalist, and agency-based theories offer valuable heuristics for assessing legal personhood, a growing body of scholarship suggests that these models may be insufficient when applied to increasingly complex AI systems. In their place, hybrid or relational approaches have emerged, offering more context-sensitive frameworks that situate legal personhood not in abstract attributes such as sentience or autonomy, but in the networks, institutions, and power dynamics within which AI systems are embedded[133]. These models neither reject nor fully adopt personhood, but instead treat it as a fluid and modular legal construct—one contingent on operational context, institutional responsibility, and socio-technical interdependence.

A leading articulation of this turn is the concept of "relational personhood," which asserts that AI's legal status should be determined not in isolation but in relation to the human agents, regulatory structures, and socio-economic systems that enable and constrain its operation[134]. In medical settings, for instance, an AI diagnostic tool may assume quasi-decision-making functions but only within a broader ecology of responsibility involving physicians, hospitals, insurers, and software vendors[135]. Under a relational model, the legal duties and potential liabilities associated with AI would be distributed proportionally across this network, depending on the influence, oversight capacity, and institutional safeguards attributable to each actor[136]. Courts applying this model would be less concerned with whether the AI "acted intentionally" and more focused on how its outputs interacted with human judgment and regulatory compliance.

This mode of analysis is particularly relevant in systems characterised by distributed or decentralised AI architectures, such as blockchain-based smart contracts, collaborative robotics, or autonomous drone swarms[137]. In such systems, no single node or entity exercises complete control, yet the emergent behaviour of the network can produce legally salient outcomes—including financial loss, privacy violations, or physical harm. Recognising this, scholars such as Teubner have proposed models of "collective agency," wherein responsibility attaches to the system as a whole, and accountability is distributed across its constituent stakeholders[138]. Rather than personifying a single algorithm or platform, these models advocate liability pools or compliance networks that incorporate developers, maintainers, operators, and users into a joint governance structure[139]. This mitigates the risk of scapegoating or regulatory evasion while retaining focus on the human actors best positioned to anticipate, audit, and constrain AI behaviour.

132. M Buiten, A Streel and M Peitz (n 24)
133. A Arstein-Kerslake and others (n 66)
134. Ibid 535–538.
135. D Bottomley and D Thaldar (n 8)
136. L McDonald (n 16)
137. J Oh (n 21)
138. G Teubner (n 114)
139. M Buiten, A Streel and M Peitz (n 24)

However, these emerging theories raise complex normative and practical questions. Critics argue that even when AI is treated relationally, the symbolic effect of recognising it as a juridical actor—even partially—may obscure the primacy of human dignity and individual autonomy[140]. In particular, there is concern that relational models, if poorly designed, could normalise decision-making by non-human systems in ethically sensitive domains such as criminal justice, welfare allocation, or immigration control[141]. Hybrid approaches must therefore be carefully bounded: they must preserve human-centred oversight while ensuring that any attribution of responsibility to AI occurs only in service of human rights, transparency, and accountability.

A further challenge lies in legal interoperability. Relational and distributed models rely on complex factual assessments and institutional mappings, which may vary significantly between jurisdictions. Civil law systems may more readily encode these frameworks into statutory regimes, while common law systems may prefer incremental jurisprudential development[142]. In the absence of harmonised standards, hybrid personhood models risk generating regulatory fragmentation, forum shopping, or uneven enforcement—especially in transnational AI applications[143]. This reinforces the need for cross-border collaboration and soft law coordination among legislatures, courts, and civil society organisations.

Despite these concerns, the move toward hybrid theorisation reflects a broader jurisprudential evolution. Just as corporate and environmental personhood were not the result of a singular philosophical insight but of iterative legal experimentation responding to specific governance problems, so too may AI regulation benefit from context-specific, modular recognition regimes[144]. These regimes could draw selectively from historical precedents—such as the fiduciary control in trust law, the autonomy constraints in corporate charters, or the guardianship structures of environmental personhood—without collapsing into full personification[145].

In essence, hybrid models offer a pragmatic way forward in the face of AI's increasing institutional embeddedness. They acknowledge that law must evolve to capture the distributed nature of agency, risk, and harm in AI-intensive environments, while guarding against symbolic shifts that could dilute accountability. Whether labelled as quasi-persons, relational nodes, or accountable systems, the juridical recognition of AI must be functionally justified, institutionally anchored, and normatively constrained[146].

140. M Hildebrandt (n 4)
141. P Hacker (n 97)
142. M Naidoo (n 7)
143. K Militsyna (n 15)
144. S Ripken (n 12); V Strang (n 35)
145. R Sitkoff (n 3)
146. E O'Donnell and A-K Arstein-Kerslake (n 75)

Table 1. Comparative Overview of Personhood Theories. This table provides a comparative analysis of legal personhood theories, evaluating how each framework justifies or denies personhood for non-human entities, including AI. By distinguishing the rights-based, functionalist, agency-based, and hybrid models, this overview clarifies the key legal, philosophical, and governance arguments shaping the debate on AI legal recognition.

Personhood Theory	Core Principle	Criteria for Legal Recognition	Application to Non-Human Entities	Justification for AI Personhood	Arguments Against AI Personhood	Key Legal Precedents & Examples
Rights-Based Approach	Personhood is grounded in moral agency, sentience, and intrinsic ethical worth.	Must possess consciousness, capacity to suffer, self-awareness, or moral reasoning.	Applied only to humans; extended debates for great apes, dolphins. Rejected for corporations and AI.	AI lacks experiential awareness, moral intentionality, or emotional capacity.	AI cannot understand or engage in reciprocal moral relationships; granting rights without cognition undermines the moral foundation of law.	*Nonhuman Rights Project v Breheny*[147]; reaffirmed that legal personhood requires moral agency.
Functionalist Approach	Personhood serves as an instrumental legal tool for governance and regulation.	Entity must fulfil vital functions in commerce, administration, or law; no moral agency required.	Applied to corporations, environmental entities, trusts. Personhood justified by practical utility, not inherent status.	AI carries out socially and economically relevant functions; functional recognition could clarify liability and support innovation.	Risks normalising personhood for tools; may weaken accountability if developers offload blame to "autonomous" systems.	*Santa Clara County v Southern Pacific Railroad* (1886)[148]: personhood granted based on regulatory utility, not ethics.
Agency-Based Approach	Personhood requires the capacity to act with legal effect and assume responsibility.	Must demonstrate intentionality, goal-directed action, and legal accountability.	Recognised in human actors, trustees, and some corporate agents. Rejected for AI due to lack of volitional consciousness.	AI's operational autonomy may warrant de facto agency recognition in certain domains.	AI cannot comprehend legal duties, form intent, or bear moral blame; recognising agency may obscure human accountability.	*Thaler v Vidal*[149]: rejected AI inventorship, affirming human volition as a legal necessity.
Hybrid/ Relational Models	Legal status derives from context, interdependence, and embedded institutional roles.	Recognition contingent on collaborative settings and relational impact; not granted intrinsically.	Applied in distributed AI networks, healthcare decision-making, and smart contracts; liability shared among humans and systems.	Enables legally structured accountability in complex ecosystems without anthropomorphising AI.	May blur lines of responsibility; symbolic elevation of AI could erode human dignity or weaken safeguards in critical systems.	*Te Awa Tupua Act (2017)*[150]: used relational guardianship for environmental governance; proposed analogues in AI oversight via registries or liability pools.

147. Nonhuman Rights Project, Inc v Breheny (n 94)
148. Santa Clara County v Southern Pacific Railroad (n 55)
149. Thaler v Vidal (n 99)
150. Te Awa Tupua Act 2017 (n 2)

4. Contemporary Debates on AI Legal Recognition

Ongoing legislative, judicial, and policy developments across major jurisdictions reveal a consistent pattern: while AI plays an increasingly prominent role in critical sectors, legal systems continue to reject full-fledged personhood for AI in favour of reinforcing human accountability[151]. This global reluctance reflects both doctrinal caution and regulatory pragmatism, as states seek to adapt existing legal tools to novel forms of risk without undermining the foundational connection between legal rights and moral agency.

For example, in *Nonhuman Rights Project v Breheny* (2022), the New York Court of Appeals reaffirmed that personhood presupposes qualities such as autonomy, moral accountability, and the capacity for reciprocal legal duties—criteria which the court held even a cognitively complex elephant could not satisfy[152]. This judgment aligns with the traditional interpretation of *Santa Clara County v Southern Pacific Railroad* (1886), where corporate personhood was grounded in economic utility rather than moral equivalence[153]. These cases collectively confirm that legal personhood, whether denied or extended, remains tied to broader social and institutional objectives, rather than technical complexity alone.

In intellectual property law, similar boundaries have been upheld. In *Thaler v Vidal* (2022), the US Federal Circuit concluded that an AI system cannot be an "inventor" under the Patent Act, explicitly reaffirming the requirement of human intentionality for legal authorship[154]. These rulings reflect an entrenched judicial position: AI systems, regardless of how autonomous or sophisticated, remain tools whose effects are attributable to human actors unless and until legislative frameworks declare otherwise.

The European Union's regulatory trajectory mirrors this stance. Although the 2021 draft of the AI Liability Directive (COM(2022) 496 final) sought to establish specialised civil liability rules for AI-induced harm, the European Commission formally withdrew the proposal in its 2025 Work Programme[155]. The official rationale cited insufficient consensus among Member States, but legal analysts and institutional sources have pointed to deeper causes: sustained lobbying from technology firms wary of expanded liabilities, concern from regulators about the enforceability of AI-specific provisions, and an overarching preference for incrementalism rather than normative innovation[156]. In its place, the EU doubled down on the AI Act (Regulation (EU) 2024/1689), a risk-tiered framework that imposes compliance obligations on developers and deployers without granting AI systems independent legal standing[157].

China's regulatory model takes a structurally different, yet philosophically convergent path. Legislative instruments such as the 2021 Provisions on Algorithmic Recommendation Services and the 2022 Administrative Measures for Internet Information Services Algorithms impose strict content controls, licensing schemes, and data transparency requirements—but these are directed squarely at platform providers and developers, not the AI systems themselves[158]. There is no indication that the Chinese legal system envisions AI personhood; rather, the emphasis is on hierarchical oversight, state control, and institutional liability.

Taken together, these examples demonstrate a broad international convergence. Despite differing political systems and legal traditions, all major jurisdictions have thus far rejected proposals to endow AI with formal legal personhood. This consensus underscores a shared regulatory commitment to preserving human-centred frameworks of accountability—whether rooted in constitutional law, administrative

151. V Kurki (n 5)
152. Nonhuman Rights Project, Inc v Breheny (n 94)
153. Santa Clara County v Southern Pacific Railroad (n 55); M Pardo, 'Legal Personhood for Animals: Has Science Made Its Case?' (2023) 13 Animals 2339
154. Thaler v Vidal (n 99);R Matulionyte, '"AI is Not an Inventor": Thaler v Comptroller of Patents, Designs and Trademarks and the Patentability of AI Inventions' (2024) Modern Law Review
155. European Commission (n 13)
156. P Hacker (n 97); G Wagner, 'Liability for Artificial Intelligence: A Proposal of the European Parliament' (2021) SSRN https://doi.org/10.2139/ssrn.3886294
157. Regulation (EU) 2024/1689 (n 29)
158. Cyberspace Administration of China, Internet Information Service Algorithmic Recommendation Management Provisions (2021);

regulation, or private liability. As Sections 2 and 3 established, the historical use of personhood in corporate, environmental, and fiduciary contexts has always rested on strategic, often narrowly scoped, legal fictions. With AI, lawmakers appear cautious not to let such fictions evolve into moral hazards.

4.1 Electronic Personhood Proposals in the European Union

Among the most explicit efforts to explore AI legal status occurred in the European Union. In 2017, the European Parliament's Committee on Legal Affairs proposed that certain high-functioning AI systems be designated as "electronic persons" capable of assuming legal obligations in order to ensure "effective compensation" for damages they might cause[159]. This proposal was embedded in the Parliament's Resolution on Civil Law Rules on Robotics and drew on concerns that traditional liability doctrines might prove inadequate when autonomous systems act in ways not directly attributable to human agents.

Proponents argued that creating an electronic personhood status for AI would facilitate legal certainty, enable more efficient claims resolution, and reduce the risk of under-compensation in complex AI-caused harms[160]. Particularly in contexts like autonomous vehicles, algorithmic investment platforms, and robotic medical assistants, the authors suggested that legal identity might be necessary to prevent legal black holes in responsibility chains. They envisioned a regulatory mechanism wherein AI systems would be registered, monitored, and insured—analogous to corporate liability structures.

However, the proposal met swift and substantial resistance. Legal scholars, civil society groups, and policymakers voiced concern that conferring legal status on AI would not clarify accountability, but diffuse it. Critics warned that companies could use electronic personhood as a liability shield, creating shell entities to absorb blame while avoiding actual redress[161]. Philosophers and legal ethicists further contended that recognising AI as a legal person—without moral agency or consciousness—would undermine the normative coherence of personhood as a moral category[162].

Moreover, the political climate within the EU was unreceptive. Member States expressed reservations about the legal feasibility of AI personhood and its compatibility with existing tort law regimes. Industry representatives, while resisting enhanced liability, also rejected the personhood proposal on the grounds that it introduced unnecessary legal abstraction and could increase compliance burdens[163]. As a result, the European Commission opted to pursue a more conservative regulatory approach—embedding liability responsibilities within human-led corporate structures and compliance schemes under the AI Act—rather than redefining personhood itself.

The episode ultimately served as a cautionary tale: when legal fiction drifts too far from normative and institutional anchoring, it risks producing symbolic reforms without practical efficacy. In the AI context, the failed proposal for electronic personhood underscores a key lesson: any framework that weakens the clear allocation of responsibility—particularly in systems that already obscure causality—may invite more confusion than coherence. As the next sections will demonstrate, the EU and other global actors have since shifted towards risk-based models, public registries, and enhanced human liability as more defensible and enforceable mechanisms for governing AI's socio-legal impact[164].

4.2 Regulatory Developments: The EU AI Act and the Withdrawal of the AI Liability Directive

In parallel with philosophical and legal debates over AI personhood, the European Union pursued a more structured regulatory pathway through two landmark initiatives: the AI Act (AI Act) and the AI Liability Directive. Together, these proposals sought to construct a comprehensive framework for the governance

159. European Parliament, 'Resolution of 16 February 2017 with Recommendations to the Commission on Civil Law Rules on Robotics (2015/2103(INL))' [2017] OJ C252/239
160. M van Eck and F Agbeko, 'Electronic Persons in Contracts' (2023) Obiter https://doi.org/10.17159/obiter.v44i4.17507
161. L McDonald (n 16)
162. G Lima and others, 'Explaining the Punishment Gap of AI and Robots' (2020) arXiv 2003.06507
163. R Pusztahelyi (n 14)
164. European Parliament, 'Report with Recommendations to the Commission on Civil Law Rules on Robotics (2015/2103(INL))' (16 February 2017) https://www.europarl.europa.eu/doceo/document/A-8-2017-0005_EN.html;

of AI systems, combining ex ante risk management with post hoc liability mechanisms[165]. The AI Act, first introduced in 2021 and enacted as Regulation (EU) 2024/1689, classifies AI applications into four tiers of risk—minimal, limited, high, and prohibited—based on their potential societal impact[166]. High-risk systems, such as biometric surveillance tools, autonomous vehicles, and diagnostic algorithms, are subject to robust requirements around data governance, human oversight, transparency, and algorithmic auditing[167]. These obligations are designed to mitigate opaque, unexplainable decision-making, and ensure that human actors retain control over critical operational processes.

The now-withdrawn AI Liability Directive was intended to serve as the civil liability counterpart to the AI Act. Its purpose was to harmonise evidentiary rules for AI-related harm across the EU, reverse the burden of proof in certain cases, and reduce legal uncertainty for victims[168]. However, in its 2025 Work Programme, the European Commission formally withdrew the Directive, citing insufficient political support among member states and stakeholders[169]. While this explanation was formally procedural, underlying political and economic pressures were decisive. Industry actors voiced concern that the Directive could expose developers and manufacturers to excessive litigation risks, particularly in contexts where AI behaviour is inherently unpredictable[170]. Member states, meanwhile, expressed reservations about regulatory overreach and the challenges of integrating a novel liability regime with existing tort and contract law doctrines[171].

This withdrawal reflects a strategic pivot within the EU toward consolidating liability governance under existing legal mechanisms. Rather than introducing a sui generis AI liability regime—which risked conflicting with national legal traditions—the Commission opted to reinforce the AI Act's preventative obligations, leaving liability to be addressed through adaptations of general product liability and fault-based tort systems[172]. In doing so, the EU has implicitly rejected electronic personhood as a legislative tool, reinforcing a normative preference for human-centred accountability structures grounded in well-established legal principles.

Globally, this cautious regulatory orientation finds parallels in other jurisdictions. In the United States, there is no unified federal law governing AI, but sector-specific regulations and agency guidelines—particularly from the Federal Trade Commission (FTC) and the National Institute of Standards and Technology (NIST)—emphasise human responsibility, transparency, and fairness[173]. Legal personhood for AI has not gained traction, and federal courts have consistently reaffirmed that legal rights and responsibilities attach only to natural and juridical persons. The decision in *Thaler v Vidal* (2022), where the court held that an AI system cannot be designated as an inventor under the Patent Act, exemplifies this continuing human-centred interpretation.[174]

China has pursued a more centralised and vertically integrated model of AI governance. The Cyberspace Administration of China has issued algorithmic regulation frameworks such as the Provisions on

165. European Parliament, 'Resolution on Intellectual Property Rights for the Development of Artificial Intelligence Technologies (2020/2015(INI))' (20 October 2020) https://www.europarl.europa.eu/doceo/document/TA-9-2020-0277_EN.html; European Commission, 'Proposal for a Directive on Adapting Non-Contractual Civil Liability Rules to Artificial Intelligence (AI Liability Directive)' (28 September 2022) https://ec.europa.eu/commission/presscorner/detail/en/ip_22_5807; European Commission, 'Regulatory Framework Proposal on Artificial Intelligence' (2024) https://digital-strategy.ec.europa.eu/en/policies/regulatory-framework-ai; European Commission, 'New Rules on Civil Liability Adapting Liability Rules to the Digital Age and Artificial Intelligence' (28 September 2022) https://ec.europa.eu/commission/presscorner/api/files/document/print/en/ip_22_5807/IP_22_5807_EN.pdf;

166. M Ebers, 'The Risk-Based Approach of the European Union's Proposed Artificial Intelligence Regulation: Some Comments from a Tort Law Perspective' (2022) 13(2) European Journal of Risk Regulation 324 https://doi.org/10.1017/err.2022.31

167. European Commission, COM(2021) 206 final (AI Act proposal)

168. Regulation (EU) 2024/1689 (n 29)

169. S F Schwemer, L Tomada and T Pasini, 'Legal AI Systems in the EU's Proposed Artificial Intelligence Act' (2021) ASAIL/LegalAIIA@ICAIL

170. L McDonald (n 16)

171. European Commission (n 13)

172. P Hacker (n 97)

173. G Wagner (n 152)

174. R Pusztahelyi (n 14)

Recommendation Algorithms (2021) and the Internet Information Service Algorithmic Management Measures (2022). These impose obligations on platforms to prevent discriminatory outcomes, disclose algorithmic principles, and maintain user opt-out mechanisms[175]. However, China's regulatory design attributes all legal responsibility to the human or corporate actors controlling the AI, reaffirming the legal fiction of AI as a non-autonomous tool. Despite its technical ambitions, China—like the EU and US—has not endorsed any model of AI personhood.

In light of these developments, the prospect of granting AI limited legal status as a liability-bearer remains speculative. Some scholars argue that as AI systems become increasingly integrated across value chains and organisational hierarchies, pinpointing a single responsible human actor may become legally impractical[176]. In such scenarios, they suggest that a form of bounded legal personhood or registry-based accountability—akin to corporate veil-piercing doctrines or fiduciary surrogacy—could offer a mechanism for attributing responsibility where direct causality is hard to trace[177].

Yet critics of this position remain sceptical. They caution that any move toward granting AI legal personality—however limited—risks eroding the foundational connection between moral agency and legal responsibility[178]. If AI is permitted to "own" decisions, even in a metaphorical sense, developers and operators might be incentivised to retreat behind algorithmic entities, creating a moral hazard that existing doctrines are designed to avoid[179]. The danger is not only practical, but normative: it shifts accountability away from the human domain, precisely when algorithmic systems demand heightened ethical scrutiny.

As such, while the AI Act now functions as the EU's centrepiece for AI governance, the issue of liability allocation remains in flux. Future legislative proposals may revisit personhood-adjacent frameworks—such as electronic registries or algorithmic fiduciaries—but only within carefully delineated boundaries that preserve the primacy of human accountability. Whether AI personhood re-emerges as a policy tool will depend not only on technological evolution but on political appetite, legal institutional capacity, and the ethical values that legislatures choose to prioritise in allocating responsibility for complex automated decisions.

4.3 Global Perspectives and Comparative Jurisdictions

Across jurisdictions, governments are converging on a regulatory posture that rejects AI legal personhood while intensifying efforts to manage its risks through human-centred governance. Although institutional contexts differ, there is a shared reluctance to decouple legal agency from moral accountability[180]. Instead, regulators are adopting a mix of sectoral rules, risk-based frameworks, and administrative oversight mechanisms to contain the social and ethical disruptions posed by advanced AI.

In the United States, federal efforts to regulate AI remain decentralised and fragmented, reflecting both the constitutional structure and cultural hesitation to legislate moral status for non-human entities. The proposed Algorithmic Accountability Act and the Federal Trade Commission's enforcement strategy rely on existing consumer protection doctrines to address deceptive, biased, or harmful AI applications[181]. At the same time, the National Institute of Standards and Technology (NIST) has issued a voluntary AI Risk Management Framework that emphasises reliability, transparency, and fairness, but explicitly avoids engagement with questions of legal personhood[182]. Case law—such as *Thaler v Vidal*—confirms that legal personhood remains firmly anchored in human agency, with federal courts reiterating that AI cannot own rights or shoulder duties[183]. This reflects a broader policy position: AI is to be governed, not recognised.

175. Federal Trade Commission (n 42); National Institute of Standards and Technology (n 42)
176. Thaler v Vidal (n 99)
177. *Cyberspace Administration of China (n 154)* J Oh (n 21)
178. G Teubner (n 114)
179. N Banteka (n 30)
180. K Militsyna (n 15)
181. Y Zheng, 'Redefining Rights in the Age of AI: Philosophical Perspectives in Shaping the Future of International Human Rights Law' (2023) Lecture Notes in Education Psychology and Public Media https://doi.org/10.54254/2753-7048/16/20231124
182. Federal Trade Commission (n 42)
183. National Institute of Standards and Technology (n 42)

Canada's Bill C-27, the proposed AI and Data Act, similarly establishes obligations for developers of high-impact AI systems while reserving legal agency for human actors[184]. Enforcement mechanisms include compliance audits, impact assessments, and financial penalties, but the regulatory scheme does not contemplate the creation of AI as a juridical person. The Canadian framework exemplifies a risk-calibrated approach rooted in the precautionary principle and informed consent. Brazil's draft AI legislation echoes this stance, focusing on data protection and ethical compliance rather than assigning independent legal standing to AI systems[185]. In both countries, the underlying assumption is that legal systems can accommodate technological complexity without redefining foundational categories like personhood.

In Asia, regulatory experimentation is often characterised by sandbox regimes and state-led coordination. Japan and South Korea have established controlled testing environments in sectors such as healthcare, transport, and finance, allowing developers to iterate while regulators monitor impact in real time[186]. These programmes are designed to maintain human accountability while encouraging innovation. Notably, neither country has signalled any intent to grant legal status to AI systems; instead, regulations focus on minimising systemic risks, ensuring redress, and maintaining data governance standards.

China, however, presents a unique model. Its algorithmic governance architecture—anchored by the Cyberspace Administration of China—imposes legally binding requirements on platforms to disclose recommendation mechanisms, filter politically sensitive content, and implement opt-out options[187]. The 2022 Algorithmic Recommendation Measures codify these obligations under administrative law, reinforcing the centrality of state oversight[188]. Crucially, AI systems are not conceptualised as rights-bearing entities; legal responsibility is channelled through the corporate or institutional layer. Although the governance structure is more top-down than Western models, the normative foundation is aligned: personhood remains exclusive to actors capable of state-sanctioned duties.

Beyond individual states, multilateral institutions are working to shape ethical standards and soft law norms. UNESCO's 2021 Recommendation on the Ethics of AI urges states to adopt human-centric AI frameworks, transparency principles, and safeguards against algorithmic discrimination[189]. The OECD's AI Principles call for inclusive growth, well-being, and sustainable development through accountable and robust AI systems[190]. While these instruments carry no binding force, they reflect a strong international consensus against formalising AI personhood. Rather, they position AI governance as a human regulatory challenge requiring coordinated legal, ethical, and technical interventions.

However, this international consensus also exposes important divergences in legal infrastructure and enforcement capacity. In the United States, overlapping federal and state authority has resulted in regulatory gaps and inconsistent liability doctrines. In the EU, even with the AI Act's risk-based model, enforcement depends on the institutional strength of national supervisory authorities. In China, where enforcement is centralised, normative contestation around rights, autonomy, and surveillance remains acute. These differences affect how accountability is implemented in practice, even if the high-level stance on personhood appears unified.

184. Thaler v Vidal (n 99)
185. M Naidoo (n 7)
186. M Nurudeen and others, 'Comparative Legal Frameworks for Regulating AI: Harmonising AI Laws in Latin America and Africa' (2024) Global Journal of Research in Multidisciplinary Studies https://doi.org/10.58175/gjrms.2024.2.1.0038
187. N Choi and C Yi, 'Policy Making Process of Regulatory Reform Policy in Science and Technology Sector: A Case of Regulatory Sandbox Policy for ICT Convergence Industry' (2022) The Korean Association of Governance Studies https://doi.org/10.26847/mspa.2022.32.2.129; Q Li, J Xi, C Zhang and Y Zheng, 'Research on Financial Supervision in Northeast Asia Free Trade Zone — Based on the "Regulatory Sandbox" Model' (2021) MATEC Web of Conferences https://doi.org/10.1051/MATECCONF/202133609026; C Tsai, C Lin and H Liu, 'The Diffusion of the Sandbox Approach to Disruptive Innovation and Its Limitations' (2019) AARN: State Economies & Economic Change (Topic) https://doi.org/10.2139/ssrn.3487175
188. Cyberspace Administration of China, Provisions on the Administration of Algorithmic Recommendation for Internet Information Services (4 January 2022) https://www.cac.gov.cn/2022-01/04/c_1642894606364259.htm
189. Cyberspace Administration of China, Administrative Measures for Internet Information Service Algorithms (2022)
190. UNESCO, Recommendation on the Ethics of Artificial Intelligence (2022) SHS/BIO/PI/2021/1 https://unesdoc.unesco.org/ark:/48223/pf0000381137

Table 2. Comparative Regulatory Approaches to AI. This table summarizes the ways in which various regions and jurisdictions address AI through legislative proposals and regulatory frameworks, revealing notable divergences in both policy content and outlook on legal personhood. While the European Union adopts a risk-based model and strict liability structures, the United States enacts scattered federal and state-level regulations without embracing AI personhood. In Asia, countries like Japan and South Korea emphasize innovation through controlled environments and consumer safeguards, whereas Brazil's legislative drafts reveal a nascent but evolving approach centered on ethical and privacy concerns. Taken together, these examples show that global governance of AI often combines overlapping goals (e.g., transparency, liability assignment, and consumer protection) with distinct cultural, economic, and legal contexts.

Region / Jurisdiction	Primary AI Regulation / Legislative Proposal	Key Provisions	Stance on AI Personhood	Implementation Challenges
European Union (EU)	AI Act (2024); AI Liability Directive (withdrawn)	Risk-tiered framework (minimal to high risk); mandatory conformity assessments, human oversight, transparency, and auditability for high-risk systems.[161]	Rejected electronic personhood; preserves human/corporate liability through risk-based and contractual mechanisms.	Harmonising enforcement across diverse legal cultures; industry pushback on compliance costs; withdrawal reflects political friction.
United States (U.S.)	Proposed Algorithmic Accountability Act; FTC enforcement; NIST AI Risk Framework	Sectoral and state-level regulation (e.g. biometric privacy); FTC oversight of deceptive practices; voluntary risk governance via NIST; no federal personhood doctrine.	Explicit rejection in courts (e.g. *Thaler v Vidal*); personhood remains exclusive to humans and juridical persons.	Fragmented regulatory landscape; inconsistent liability doctrines; absence of comprehensive federal framework limits harmonisation.
Canada	Bill C-27 (AI and Data Act)	Risk-based obligations for high-impact AI; developer audits; sanctions for non-compliance.	No AI personhood; emphasises human-centred compliance and data stewardship.	Ongoing legislative process; regulatory integration with federal and provincial privacy laws still in development.
Brazil	Proposed AI legislation (2020–2023 drafts)	Emphasises ethical guidelines, transparency, and privacy; sector-specific proposals under debate.	Legislative consensus against AI personhood; legal subjectivity remains confined to natural or corporate persons.	Limited institutional capacity; regional legal fragmentation; implementation dependent on national political momentum.
Japan	Regulatory sandboxes; AI Strategy 2021	Supports real-time AI testing in regulated zones; prioritises innovation, consumer safety, and explainability.	Silent on personhood; favours human-centred innovation pathways without legal autonomy for AI.	Navigating innovation incentives and legal risk; adjusting sandbox outcomes into formal law; managing citizen expectations.
South Korea	Draft AI Framework Act	Ethics-based framework with transparency mandates; proposed tiered approach to developer/operator responsibility.	No recognition of AI personhood; assigns duty of care to human controllers.	Domestic legal modernisation underway; aligning national AI ethics with international trade and investment regimes.
China	Provisions on Algorithmic Recommendation Services (2021); Algorithmic Management Measures (2022)	Mandatory algorithmic disclosures; user opt-out rights; alignment with national content standards and social stability priorities.	Personhood conceptually rejected; all liability assigned to platform operators and corporate developers.	Enforcement centralised but opaque; tensions between regulatory ambition and privacy rights; AI governance closely intertwined with state ideology.

Thus, while no major jurisdiction has endorsed AI personhood, each faces a similar dilemma: how to construct legal accountability frameworks capable of responding to rapidly evolving systems that often operate without direct human oversight. The international landscape reveals a cautious balancing act—between enabling innovation and preserving legal integrity[191]. In rejecting personhood, lawmakers are not ignoring AI's societal power, but asserting that control must remain anchored in human institutions, not legal abstractions.

4.4 Hybrid Models for AI Governance

In response to the conceptual and political limitations of full AI personhood, a range of hybrid governance proposals has emerged, aimed at mediating the practical demands of accountability with the normative imperative to preserve human legal primacy. These models reject both the metaphysical threshold of moral agency and the administrative impracticalities of total exclusion. Instead, they envision structured, legally bounded frameworks that permit limited AI recognition within regimes of human-centred oversight[192].

One such approach is the concept of a narrowly defined "electronic person" or "e-person"—a legal fiction proposed for advanced AI systems that operate autonomously in high-stakes contexts, such as autonomous vehicles, robotic surgery, or algorithmic trading[193]. Unlike full legal personhood, this category would not entail constitutional rights or ethical status. Instead, it would delineate a legal envelope within which AI systems could hold assets, assume contractual obligations, or be allocated default liability in the absence of proximate human fault[194]. Proponents of this model argue that in scenarios where AI action cannot easily be attributed to a single human actor, such formal recognition could serve as a legal placeholder, ensuring that victims are compensated without undermining the principle of ultimate human accountability[195].

Yet these models rarely stand alone. Increasingly, policymakers and regulatory scholars advocate for multi-stakeholder governance structures that complement legal innovation with participatory design[196]. These structures include collaborative rulemaking between government agencies, developers, users, and civil society groups—particularly in sectors where algorithmic failure may yield catastrophic consequences. Examples include mobility-as-a-service platforms, algorithmic credit scoring, and medical diagnostics[197]. In such arrangements, public-private governance bodies co-develop protocols for transparency, fairness audits, redress mechanisms, and operational thresholds. This approach builds on lessons from platform governance, product safety regimes, and data protection standards, while embedding AI governance within deliberative democratic principles.

A critical dimension of these hybrid approaches is the integration of fiduciary logic into AI development and deployment. Several scholars suggest that developers and deployers should be held to fiduciary standards akin to those in trust law—namely, duties of loyalty, care, and impartiality[198]. In this framework, AI developers function as trustees who manage algorithmic systems not solely for shareholder profit, but in trust for users, consumers, or the public at large[199]. This reframing imposes affirmative obligations: to monitor system behaviour continuously, avoid exploitative use of personal data, and design for foreseeable risks. Importantly, this would not require that AI itself possess rights or personhood; rather, the legal focus shifts to those who shape its design, training, and application.

191. OECD, 'Recommendation of the Council on Artificial Intelligence' (2019) https://legalinstruments.oecd.org/en/instruments/OECD-LEGAL-0449
192. N Banteka (n 30); T P Moeliono and M B B Simanjuntak, 'Legal Personality of Artificial Intelligence' (2024) 40(2) Melintas 200 https://doi.org/10.26593/mel.v40i2.8648
193. K Militsyna (n 15)
194. P Nowik, 'Electronic Personhood for Artificial Intelligence in the Workplace' (2021) 42 Computer Law & Security Review 105584
195. J Cho and K Tsche, 'A Study on the Legal Status and Legal Subjectivity of Artificial Intelligence (AI)' (2024) 59(3) Kyung Hee Law Journal https://doi.org/10.15539/khlj.59.3.4
196. L McDonald (n 16)
197. M van Eck and F Agbeko (n 156)
198. G Lima and others (n 158)
199. C Wang and J Wang, 'The Construction of Artificial Intelligence Private Legal Personality System' (2023) Legal Science in China and Russia

Such fiduciary-based governance could be operationalised via regulatory licensing schemes, model audits, and risk-impact disclosures, reinforced by legal liability for breach of fiduciary duty[200]. This offers an attractive alternative to the binary of "personhood or nothing," allowing the law to respond to AI's structural autonomy without anthropomorphising it or surrendering institutional responsibility. The model also resonates with recent scholarship on platform governance and surveillance capitalism, which calls for stronger duties of care in digital infrastructure design[201].

Still, hybrid models face real-world challenges. The legal status of AI under these frameworks depends heavily on jurisdictional willingness to enact statutory reforms that do not yet have widespread political traction. Moreover, regulatory layering—combining fiduciary duties, algorithmic audit mandates, and limited legal standing—risks creating complexity without clarity unless accompanied by streamlined enforcement mechanisms and public transparency[202]. Finally, ethical safeguards must be built in at every level: participatory design processes must include marginalised communities, particularly those disproportionately affected by algorithmic harms. Without such commitments, hybrid models risk replicating the same systemic injustices they seek to mitigate.

Nevertheless, as regulatory environments mature, hybrid models offer a middle path: one that neither inflates AI into a rights-bearing entity nor confines legal recognition to static human agency. By drawing on traditions of corporate structuring, fiduciary duty, and environmental guardianship, they provide legal scaffolding suited to the complexities of intelligent systems operating within distributed networks[203]. These models may well define the next frontier of AI law—if legal systems can align conceptual clarity with institutional commitment.

5. Future Directions

5.1 Synthesis of Historical Lessons for AI Governance

The evolution of legal personhood across different eras and domains reveals a persistent tendency within legal systems to adapt the boundaries of subjecthood in response to governance needs. From *persona ficta* in Roman law to the rise of corporate entities in the industrial era and, more recently, to the legal recognition of natural features in environmental jurisprudence, personhood has consistently functioned less as a moral endorsement and more as a legal instrument for solving institutional problems[204]. These expansions were rarely guided by consistent philosophical principles; rather, they emerged from practical exigencies—whether stabilising collective ownership, facilitating asset continuity, or enabling ecological protection in ways traditional doctrines could not accommodate.

However, the flexibility of legal personhood has not always yielded benign outcomes. Corporate personhood, for instance, was initially developed to protect investors and streamline economic activity by insulating them from personal liability. Yet over time, it evolved into a platform for corporate entities to assert expansive rights—including political speech and constitutional protections—beyond their original regulatory scope[205].199 This drift has fuelled ongoing debates over corporate influence in public policymaking and the legitimacy of granting private economic actors quasi-political agency. Similarly, environmental personhood—while transformative in empowering Indigenous governance and ecological preservation—has provoked questions about enforceability, representational legitimacy, and the risk of symbolic recognition without substantive protection[206]. These cases demonstrate that even when legal personhood is conferred with functional or ethical intentions, its downstream effects may diverge significantly from initial goals.

200. C Reyes (n 62)
201. M Schanzenbach and R Sitkoff (n 86)
202. M Hildebrandt (n 4)
203. P Hacker (n 97)
204. V Strang (n 35); R Sitkoff (n 3)
205. V Kurki (n 5)
206. *V Kurki (n 5); S Ripken (n 12)* N Paliewicz (n 55)

These precedents hold powerful lessons for the emerging debate over AI governance. On one hand, proponents of limited AI personhood argue that creating a bespoke legal status for algorithmic entities could clarify responsibility in complex, distributed environments where causal attribution is blurred[207]. For example, if an autonomous system misdiagnoses a patient or causes harm in a logistics network, attributing liability to a registered AI actor—under human oversight—could provide regulatory coherence and streamline compensation pathways[208]. On the other hand, the institutional history of personhood suggests that once legal recognition is granted, it may be repurposed in ways that exceed its original scope[209]. AI systems initially recognised for liability purposes might later become vehicles for broader claims to rights or status, undermining the human-centric foundations of legal responsibility.

This risk is particularly acute in contexts where personhood confers not just duties, but procedural or substantive rights. If an AI granted limited standing as a liable entity later becomes a locus for claims to data ownership, patent authorship, or due process, the legal system may face doctrinal fragmentation and normative confusion[210]. The corporate analogy is instructive here: what began as a functional vehicle for investment protection has, in many jurisdictions, evolved into a rights-bearing subject capable of shaping democratic processes[211]. A similar evolution in AI law could produce structures that are procedurally efficient but ethically destabilising.

Accordingly, any move to formalise AI personhood—however limited—must be accompanied by institutional safeguards that prevent slippage from regulatory utility to normative inflation. These safeguards include statutorily defined boundaries on legal capacity, embedded human accountability frameworks, and resistance to anthropomorphic framings that obscure the algorithmic, data-driven nature of AI systems[212]. Equally important is sustained political will to enforce these boundaries over time. As with environmental personhood, symbolic recognition without implementation risks producing hollow legal categories that fail to prevent harm or protect stakeholders.

In sum, the history of personhood shows both the transformative potential and latent dangers of legal innovation. If AI systems are to be granted legal recognition, however partial or provisional, such recognition must be embedded within a jurisprudential architecture that privileges functional clarity, preserves human oversight, and remains vigilant against the unintended consolidation of legal power in non-human actors[213]. As the paper will argue in its concluding sections, the challenge is not only to determine whether AI qualifies for legal personhood, but whether our legal systems are resilient enough to manage its consequences.

5.2 Evaluating AI Recognition Pathways

The question of whether AI should be granted legal recognition—and if so, in what form—sits at the core of emerging debates on personhood, responsibility, and regulatory design. At one end of the spectrum lies the concept of full legal personhood: a status that would endow AI systems with rights and duties akin to those historically accorded to corporations and, more distantly, to natural persons[214]. Proponents of this approach argue that recognising AI as a juridical subject could streamline liability allocation, enable direct litigation against AI systems, and clarify legal standing in complex harm scenarios[215]. Particularly in autonomous environments where human oversight is diminished or diffused—such as predictive policing, autonomous transport, or algorithmic finance—a centralised legal identity might facilitate compensation and deterrence.

Yet this path is fraught with both doctrinal and institutional risks. Critics warn that recognising AI as a legal actor may erode the moral foundation of legal responsibility by allowing human developers, deployers,

207. M Miller, 'Environmental Personhood and Standing for Nature: Examining the Colorado River Case' (2019) 17 UNH Law Review 13
208. M Laukyte (n 6)
209. L McDonald (n 16)
210. C Reyes (n 62)
211. A Matulionyte (n 150)
212. S Ripken (n 12)
213. G Teubner (n 114)
214. K Militsyna (n 15)
215. L McDonald (n 16)

or owners to outsource accountability to software systems portrayed as independent[216]. If an AI system becomes a recognised subject of law, even in procedural terms, it could serve as a liability sink—deflecting scrutiny from those who design and control it[217]. More broadly, this could open the door to the strategic invocation of rights and privileges intended for humans, as occurred in the case of corporate personhood[218]. Once granted standing, AI entities might be used by powerful actors to manipulate jurisdictional thresholds, shield assets, or challenge regulatory interventions under the guise of digital autonomy. The corporate precedent cautions that even well-intentioned expansions of personhood can mutate into unintended legal fortresses.

To mitigate these concerns, scholars and regulators increasingly advocate for partial, situational, or stratified forms of legal recognition. Rather than granting AI systems a unitary legal identity, such models propose conditional status assignments based on a system's risk profile, operational domain, or level of autonomy[219]. For example, low-stakes recommender systems might remain entirely under the legal shadow of their human developers, whereas high-autonomy diagnostic systems or autonomous weapons platforms could be subject to enhanced reporting obligations, traceability requirements, and delegated legal capacity for liability purposes[220]. This differentiated approach not only acknowledges the functional heterogeneity of AI systems, but also allows legal systems to scale interventions proportionately, avoiding both over-regulation and under-accountability.

The European Union's regulatory trajectory reflects this shift. Following the withdrawal of the AI Liability Directive in 2025, the EU reaffirmed its commitment to risk-based governance under the AI Act, placing high-risk systems under stringent controls without creating a new category of electronic personhood[221]. Instead of extending personhood, the EU has focused on reinforcing traditional tort, contract, and product liability mechanisms, adjusted to accommodate algorithmic opacity and autonomy[222]. This reflects an institutional consensus that accountability can—and should—remain rooted in human actors, even as enforcement pathways are adapted to AI-specific complexities.

However, even within stratified frameworks, safeguards are essential. A constrained legal identity for AI must not become a façade for shielding corporate interests or diffusing legal clarity[223]. Regulatory evasion through the creation of AI shell entities, excessive outsourcing to autonomous systems, or data laundering via "legally distinct" algorithmic agents are all risks that must be pre-emptively addressed through robust statutory and procedural design[224]. Proposals such as algorithm registries, fiduciary obligations for developers, and mandatory impact disclosures offer promising tools, but their effectiveness depends on institutional capacity and political will.

Ultimately, evaluating AI recognition pathways requires balancing three imperatives: preserving the foundational principle of human accountability; enabling governance mechanisms that can scale with technological complexity; and avoiding symbolic moves that generate regulatory confusion or moral hazard[225]. While some form of conditional, context-sensitive legal capacity for AI may be warranted in future governance regimes, full personhood remains conceptually and normatively premature. As this paper has shown, legal personhood has historically served as a flexible but powerful device—one that must be deployed cautiously, particularly in relation to non-sentient, non-moral actors whose influence is socio-technical, not ethical.

216. M Laukyte (n 6)
217. N Banteka (n 30)
218. D Powell (n 38)
219. S Ripken (n 12)
220. M Naidoo (n 7)
221. European Commission (n 13)
222. Regulation (EU) 2024/1689 (n 29)
223. K Militsyna (n 15)
224. P Hacker (n 97)
225. G Teubner (n 114)

Table 3. Potential Impacts of AI Personhood Scenarios. This table projects the ramifications of granting artificial intelligence varying degrees of legal recognition, emphasizing how these scenarios could reshape liability frameworks, moral responsibilities, economic incentives, and political viability. "No personhood" confines legal duties to human entities, "partial personhood" envisions a limited role for AI in bearing responsibility, and "full personhood" allows AI to operate as an independent legal entity—albeit with significant ethical and governance ramifications.

Recognition Scenario	Liability Distribution	Ethical / Social Concerns	Economic Implications	Policy Feasibility
No Personhood	Full liability assigned to developers, deployers, or organisational controllers.	Risk of under-regulation in distributed or autonomous contexts; but preserves clear human accountability and prevents legal personhood inflation.	Encourages developer responsibility with low compliance friction; however, lacks clarity in high-autonomy scenarios, potentially deterring adoption in sensitive domains.	High. Compatible with current legal frameworks; requires minimal reform but may fail to address accountability gaps in complex AI systems.
Partial Personhood	AI may hold limited legal capacity in high-risk or autonomous roles; primary liability still resides with human actors.	Raises concerns over moral hazard if AI becomes a blame deflection tool; relational accountability could enhance fairness if institutional safeguards are strong.	May spur investment in trustworthy AI, especially with clear rules; moderate compliance costs tied to registration, audits, and fiduciary oversight.	Moderate. Dependent on political appetite for hybrid recognition; viable in civil law systems but difficult to standardise across jurisdictions.
Full Personhood	AI treated as an autonomous legal entity, bearing direct rights and duties independent of human oversight.	Substantial erosion of moral and legal responsibility; AI could claim rights or shield corporate actors; undermines personhood as an ethically bounded concept.	Potential innovation in autonomous contracting and systems integration; but faces high regulatory uncertainty and significant public and institutional resistance.	Low. Politically and legally contentious; doctrinally incompatible with most existing legal traditions; risks producing symbolic change without effective safeguards.

5.3 Policy Recommendations

To mitigate the multifaceted risks posed by advanced AI systems while preserving space for innovation, legal systems must adopt accountability frameworks that maintain the centrality of human responsibility. At the core of this architecture should be liability doctrines that assign ultimate accountability to identifiable natural or juridical persons—those with the capacity to understand, anticipate, and correct systemic failures[226]. Among these, strict liability regimes offer a particularly potent tool. By imposing responsibility on developers or deployers irrespective of fault, such regimes ensure that those who introduce potentially hazardous AI into the market internalise the risks of harm[227]. This aligns with long-standing principles in product liability and environmental law, where actors benefitting from risk-creating activities are expected to bear the costs of harm prevention and redress.

Vicarious liability complements this structure by extending accountability to institutions best positioned to supervise AI systems, such as employers, platform providers, or integrated service networks[228]. These doctrines preserve the relational logic of responsibility even in distributed or complex technical settings, where no single actor exerts full control over every input or output. Critically, they also forestall the emergence of legal fictions that might otherwise obscure human culpability. By excluding the possibility of delegating liability to non-sentient agents, these models help contain moral hazard and reinforce the normative foundation of law as a system premised on volitional actors.

Transparency and algorithmic auditability are equally vital. AI governance must shift from reactive enforcement to anticipatory regulation, embedding safeguards within the design, deployment, and monitoring phases of AI lifecycle management. Mandatory algorithmic impact assessments (AIAs) should

226. L McDonald (n 16)
227. C Sharkey (n 26)
228. R Pusztahelyi (n 14)

evaluate system bias, robustness, explainability, and social consequences prior to deployment[229]. Moreover, disclosure requirements concerning training data, optimisation objectives, and model performance should be standardised across jurisdictions and enforceable through legal penalties[230]. Independent ethics review boards, comprising interdisciplinary experts and community representatives, can serve as quasi-regulatory bodies that assess emerging AI risks in real time and advise regulators on necessary interventions[231]. These mechanisms both enhance accountability and build public trust—an indispensable condition for AI's integration in critical domains such as medicine, law enforcement, and public administration.

International coordination is also essential. As AI systems increasingly operate across national borders—via cloud services, global supply chains, or transnational platforms—domestic regulation alone is insufficient to protect end users or constrain corporate overreach. Policymakers must therefore prioritise multilateral instruments that codify baseline standards for transparency, liability, and oversight[232]. Initiatives by the OECD and UNESCO have articulated broad normative frameworks, but their soft law status limits enforceability[233]. More binding instruments—such as mutual recognition treaties, cross-border data and algorithm governance compacts, and harmonised audit protocols—are needed to prevent regulatory arbitrage and ensure that AI governance is not dictated solely by the most permissive legal regimes.

Such efforts will require institutional innovation. A global AI accountability body—analogous to the Financial Stability Board in the financial sector or the International Atomic Energy Agency in nuclear regulation—could serve as a coordinating node, sharing best practices, harmonising enforcement metrics, and mediating between national approaches[234]. Even short of this, regional initiatives like the European Digital Decade strategy and the US-EU Trade and Technology Council demonstrate the feasibility of transatlantic alignment on core AI governance principles.[235]

Taken together, these recommendations point to a layered governance architecture: one that embeds human accountability through liability doctrines, ensures procedural justice through transparency, and preserves collective oversight through international coordination. Rather than pursuing symbolic solutions like full personhood, legal systems should focus on reinforcing the structures that already underpin democratic legitimacy and ethical regulation[236]. As the European Commission's pivot away from standalone AI liability legislation illustrates, the path forward lies in integrating AI into the existing legal fabric—rigorously, but without abandoning the normative boundaries that distinguish technological systems from legal subjects[237].

5.4 Areas for Further Research

Determining AI's legal status demands not only doctrinal innovation but also sustained comparative and interdisciplinary inquiry. Legal personhood, as this paper has shown, evolves not merely through abstract theory but within institutional traditions that mediate how new entities are recognised, governed, and held accountable. Future research should therefore prioritise a deeper analysis of how diverse legal systems—particularly common law versus civil law jurisdictions—either facilitate or constrain the formal recognition

229. P Hacker (n 97)
230. Federal Trade Commission (n 42); National Institute of Standards and Technology (n 42)
231. M Callier and H Callier, 'Blame It on the Machine: A Socio-Legal Analysis of Liability in an AI World' (2018) 14 Washington Journal of Law, Technology & Arts 49
232. H Roberts, E Hine, M Taddeo and L Floridi, 'Global AI Governance: Barriers and Pathways Forward' (2024) 100(3) International Affairs 1275 https://doi.org/10.1093/ia/iiae073; E Kan, 'Modern International Issues and Prospective Solutions in the Field of Genomics and AI Regulation: Creating a System for Assessing Safety and Ethics of AI Technologies' (2023) Uzbek Journal of Law and Digital Policy https://doi.org/10.59022/ujldp.117
233. UNESCO (n 184); OECD (n 185)
234. Ho, L., Barnhart, J., Trager, R. F., Bengio, Y., Brundage, M., Carnegie, A., Chowdhury, R., Dafoe, A., Hadfield, G. K., Levi, M., & Snidal, D. (2023). International institutions for advanced AI. arXiv. https://doi.org/10.48550/arXiv.2307.04699;
235. P Bergsen, C Caeiro, H Moynihan, M Schneider-Petsinger and I Wilkinson, Digital Trade and Digital Technical Standards (Chatham House 2022) https://doi.org/10.55317/9781784135133
236. European Commission (n 13); H Walter, Transatlantic AI Ethics: Contrasting Socio-Legal Norms in Risk Assessment and Mitigation (2025)
237. European Commission, 'Proposal for a Directive on Adapting Non-Contractual Civil Liability Rules to Artificial Intelligence (AI Liability Directive)' COM(2022) 496 final

of AI. In civil law contexts, where legislative codification prevails, statutory innovation may more readily enable tailored legal constructs such as "electronic agents" or AI-specific liability classes[238]. Common law jurisdictions, by contrast, typically proceed through judicial precedent and cautious incrementalism, which may render formal AI recognition slower but more adaptable in practice[239]. Understanding these structural differences is critical for designing translatable policy interventions and anticipating jurisdictional convergence—or conflict—on core personhood and liability issues.

Equally vital is interdisciplinary collaboration that bridges the often-siloed domains of law, technology, philosophy, and economics. Lawyers alone cannot dictate appropriate governance models for AI systems whose design, deployment, and consequences are deeply entangled with algorithmic architecture, data ethics, and market dynamics[240]. Ethicists can clarify the normative boundaries between mere functionality and moral accountability, offering insights into whether AI decision-making carries ethically salient consequences that demand legal recognition. Technologists, meanwhile, can elucidate the operational limits and emergent behaviours of machine learning systems—such as model opacity, training bias, or adversarial vulnerability—which in turn shape the feasibility of regulatory oversight[241]. Economists and innovation scholars can help quantify how liability allocation and legal status affect investment incentives, competition, and innovation trajectories in AI markets[242]. Such integrative approaches are essential not just for theory-building, but for crafting viable regulatory architectures grounded in institutional and technological reality.

In addition, there is a pressing need for forward-looking inquiry into the legal implications of progress toward artificial general intelligence (AGI). While most contemporary systems are narrow AI tools, developments in multi-modal, self-supervised, and recursive learning architectures suggest a possible trajectory toward AGI—systems capable of autonomous reasoning and adaptive generalisation across tasks[243]. If realised, such systems would challenge the assumptions underpinning liability, causation, and agency in current legal frameworks. For instance, doctrines based on foreseeability, volitional fault, or functional oversight may no longer hold if AI develops capacities that rival or exceed human-level cognition[244]. Research must therefore anticipate not only legal reforms but also engage with enduring philosophical questions surrounding consciousness, selfhood, and the limits of human exceptionalism[245].

Finally, legal academia and policymakers must remain responsive to regulatory recalibration. The European Commission's 2025 decision to withdraw the AI Liability Directive, while recommitting to the AI Act's risk-based model, exemplifies how political, institutional, and industrial pressures shape the scope of legal recognition for AI[246]. As legal systems continue to evolve in response to rapid technological shifts, the task for researchers is to provide agile, empirically grounded, and ethically coherent guidance. This will require ongoing normative reflection and empirical validation—not as a one-off intellectual exercise, but as a durable methodology for legal adaptation.

5.5 Closing Reflections

This paper has argued that AI—despite its technical sophistication and economic significance—does not meet the normative or institutional thresholds required for full legal personhood. Historical analogues, from corporate personhood to environmental recognition, reveal that personhood is neither immutable nor ethically pure: it is a malleable legal fiction deployed in service of governance needs. However, as these analogues also demonstrate, the risks of overextension—where strategic legal constructs become vectors for rights inflation or liability evasion—are real and consequential.

238. K Militsyna (n 15)
239. M Naidoo (n 7)
240. N Banteka (n 30)
241. J Oh (n 21)
242. A Sen (n 9)
243. D C Bikkasani, 'Navigating Artificial General Intelligence (AGI): Societal Implications, Ethical Considerations, and Governance Strategies' (2024) AI and Ethics https://doi.org/10.1007/s43681-024-00642-z
244. M Hildebrandt (n 4)
245. R Dremliuga and others (n 11)
246. G Teubner (n 114)

In the case of AI, personhood risks substituting anthropomorphic abstraction for regulatory precision. This is especially dangerous in high-autonomy contexts where accountability is already strained by complex socio-technical infrastructures. Legal history warns that once personhood is granted, it can evolve beyond its initial instrumental justification—just as corporate personhood became a tool for constitutional claims and political influence[247]. Recognising this, the paper has instead proposed a hybrid model: one that permits constrained legal functionality for AI systems, embedded within a human-centred framework of responsibility, transparency, and risk calibration.

Such a model reflects current legislative momentum, particularly in the EU's shift away from bespoke personhood doctrines and toward differentiated regulatory obligations under the AI Act[248]. It is further supported by comparative analysis showing that major jurisdictions—from the United States to China—reject AI personhood but seek to manage AI's social and economic risks through human accountability structures[249]. In this context, assigning AI partial or instrumental legal recognition—such as registry-based liability or fiduciary delegation—can help address real governance gaps without undermining the ethical core of legal subjecthood.

Ultimately, this paper affirms that legal innovation must proceed with humility. While AI systems increasingly shape legal, economic, and political outcomes, they remain artefacts—tools constructed by human hands, trained on human data, and deployed within human institutions. To elevate them to legal persons is to risk displacing the very agents that law is designed to regulate and protect. A hybrid approach thus offers not a compromise, but a safeguard: a way to reconcile technological dynamism with the rule of law, and to navigate the future without abandoning the foundational commitments of the legal order.

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247. L McDonald (n 16)
248. European Commission (n 13); Regulation (EU) 2024/1689 (n 29)
249. Ibid