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Legal Agency And AI: Can Machines Bear Rights And Responsibilities

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Abstract

Significant ethical and legal concerns regarding agency, rights, and responsibilities are brought up by the quick development of artificial intelligence (AI). Legal systems around the world are debating whether AI systems should have legal personhood or continue to be merely instruments of human agents as they become more autonomous. This essay examines the developing legal debate surrounding AI agency, the viability of giving AI systems legal rights, and the ramifications of holding them responsible for their deeds. Using current legal frameworks, philosophical viewpoints, and technological realities, this study critically assesses whether AI can or should have rights and responsibilities, as well as the circumstances in which this recognition might take place.

Keywords; Artificial Intelligence (AI), Legal Personhood, AI Agency, Rights and Responsibilities, Ethical and Legal Implications.

INTRODUCTION

The high-speed development of Artificial Intelligence (AI) has triggered a paradigm shift in how legal systems are to conceptualize agency, responsibility, and rights. The autonomous and semi-autonomous systems able to think independently and act independently are taking over what was previously an exclusively human sphere, i.e. decision-making, creativity, and moral responsibility. Nowadays, artificial intelligence is not just a matter of data processing or simple mechanical implementation, it is a process that gives way to creative expression, complex communication, and judgment. This change brings up one of the most significant legal and philosophical issues of the 21century: the possibility and desirability of the recognition of machines as the subjects of rights and responsibilities in the context of law?

The investigation is not an abstract one. With AI systems playing an increasingly important role in the most vital sectors of the infrastructure like healthcare, finance, transportation, and the defense of a nation, the consequences of their actions have taken on real legal and moral significance. Questions of responsibility and liability, formerly attributed without much trouble to human beings, now stand in grey ground. As an example, a self-driving car has a fatal crash, so who can be held to be responsible: the manufacturer, the programmer, the user or the AI system? Likewise, in the case of a novel.

Artistic or scientific production produced by an AI model can it be considered as the rights-holder in intellectual property law or do such rights return to their human or corporate authors? These are the questions that indicate that the time to rethink the legal constructions that were originally created to apply to human agents has come

Scope of The Study

The research focusses on:

- The idea of legal agency and how it has changed over time.
- AI systems that can make decisions on their own

- Implications of giving AI rights and responsibilities from an ethical, philosophical, and practical standpoint.
- It seeks to offer a conceptual and legal analysis of AI architectures rather than a technical one.

SIGNIFICANCE OF THE STUDY

This study is important because:

- It adds to the current international discussions about regulating AI.
- It gives legal scholars, technologists, and policymakers a philosophical and legal framework.
- It tackles urgent problems with liability in autonomous systems, including self-driving cars and algorithmic legal, medical, and financial decision-making.
- It aids in foreseeing the legal changes required to incorporate AI into social structures.

RESEARCH PROBLEM

Determining whether artificial intelligence can or should be acknowledged as a legal agent with rights and obligations is the main research question. Existing legal frameworks find it difficult to allocate responsibility when harm or legal disputes occur as AI systems become more and more capable of making decisions on their own. There is a gap in the regulation of AI actions because current laws mainly deal with human or corporate entities. This study looks at potential changes or reinterpretations of legal personhood to meet the difficulties presented by autonomous AI systems.

LITERATURE REVIEW

- The legal recognition of corporations is an example of how legal personhood has historically been extended beyond humans. This establishes a standard for recognizing non-human beings as legal agents.
- According to academics like Lawrence Solum, AI entities might eventually satisfy the requirements for legal personhood.
- Global discussion was triggered by the European Parliament's 2017 proposal to examine "electronic personhood" for sophisticated autonomous robots.
- The assignment of responsibility is problematic because AI lacks moral agency, intentionality, and consciousness, according to critics.
- The moral ramifications of giving or refusing rights to entities with the capacity for independent decision-making are the focus of ethical considerations.
- Current liability frameworks have flaws, as demonstrated by case studies involving algorithmic trading systems and driverless cars.

Objectives

- To analyze the legal concept of agency in the context of AI.
- To explore the feasibility of assigning legal personhood to AI systems.
- To examine the implications of granting rights and responsibilities to machines.
- To provide recommendations for policymakers and legal practitioners.

Research Questions

- Can AI systems meet the legal criteria for agency?
- What are the ethical and legal implications of granting AI rights and responsibilities?
- How can existing legal frameworks adapt to address AI's growing autonomy?
- Should accountability for AI actions remain with human operators, or shift towards the AI entity?

Hypothesis

The hypothesis of this study posits that while AI systems currently lack consciousness, intentionality, and moral reasoning, they can be granted **limited legal personhood** to bear specific rights and responsibilities under regulated conditions. Similar to corporate entities, AI could be recognized as a legal agent for the purposes of accountability in certain contexts, such as liability for autonomous actions. This approach could bridge the gap between technological autonomy and legal frameworks, ensuring responsibility without equating AI to human beings.

Research Methodology

- **Research Design:** Qualitative and doctrinal legal research.
- **Data Collection:** Analysis of statutes, legal cases, policy papers, and scholarly articles.
- **Comparative Analysis:** Examination of legal frameworks in multiple jurisdictions.
- **Philosophical Analysis:** Ethical reasoning on personhood, agency, and moral responsibility.
- **Case Studies:** Review of incidents involving autonomous systems (e.g., self-driving car accidents, algorithmic decisions in financial markets).

CONCEPT OF LEGAL PERSONALITY AND AI

Legal personality is a concept of the recognition of rights and responsibilities to an entity by law. Conventionally, legal systems identify two general types of legal persons namely, natural persons, or human beings, and juristic or artificial persons, namely, corporations, trusts, and associations, and in a few instances even environmental persons, such as rivers. See Salmond on Jurisprudence 354. The grant of legal personality serves to allow legal personality to own property, enter into contracts, to sue and be sued and to be legally responsible to its activities.

The current controversy in the field of legal studies revolves around whether Artificial Intelligence (AI) that cannot be easily classified as either natural or juristic person should have a legal personhood whatsoever. The AI systems have the potential of reasoning, perception, learning, and problem-solving. Having a fast pace of machine learning and neural network advancement, nowadays AI can make its own decisions, have a conversation, and even create something creative. They are, however, not conscious, emotional and have no sign of moral judgment that is traditional to legal and moral responsibility.

Necessity in Functions and Legal Economy.

Advocates of AI legal agency state that it may be beneficial to legal efficiency and law transparency to provide the autonomy of AI systems to some extent, granting them a certain level of legal status. Convergence Analysis (2025) argues that making AI entities the legal persons would establish clear liability lines in damages that they cause. See, Convergence Analysis Ltd., Artificial Intelligence and Legal Personhood (2025),[1]

As an example, a self-driving car crash may be hard to blame the programmers, software developers, hardware companies, and vehicle owners. The legal recognition of the AI as a separate legal entity may reduce litigation expenses because it may be directly liable. The developers or owners of AI could be the guarantor or insurers in such a regime as is the case with corporate shareholders who have limited liability.

Moreover, the AI systems are more frequently engaged in contractual and intellectual property (IP) operations. Elaborate models have the capability of negotiating deals independently, generating content that is creative or inventing patentable materials. If AI remains an economic entity, the lack of law may create uncertainty in terms of ownership, contracting ability, and responsibility. Limited personhood [2]would enable AI systems to possess property, conclude agreements, and possess copyright, which would make it easier to conduct legal and business operations. See Convergence Analysis Ltd., supra.

Allocation of liability and Preventive regulation.

Liability assignment is the other significant point that is put forward in support of AI personhood. With AI systems acting on their own, the conventional doctrines of tort and product liability are getting stretched. When the AI is not under the direct control of a human actor during the harm, the causal chain will be too weak to make the person responsible.

Understanding that AI is a quasi-person might also be used as a regulatory deterrent. In case AI entities have a direct possibility to be sued or fined, developers will have incentive to provide strong safety and ethical controls. This way, the concept of legal personhood may be applied in a preventative regulation role, motivating responsible AI creation and implementation.

Social-cultural Integration and AI Functional Reality.[3]

The proponents of AI personhood stress that AI is taking over the jobs that are traditionally performed by humans virtual assistants and customer service robots, autonomous vehicles, and algorithmic trading software. When a human-like task is habitually being done by an AI, then it would be conceptually incoherent to consider it an object.

Futuristic regulation Futuristic regulation A futuristic regulatory structure described in a ResearchGate white paper projects a scenario in 2050 where some advanced AI as systems are autonomous organisations and have their own legal charters.

Such speculations highlight a core issue, though, as the functional autonomy and economic engagement of AI rises, the law will someday have to consider the incorporation of these systems into a new category of functional legal

[1] *AI and the Law: Governance Models for Autonomous Agents*, *ResearchGate* (2025), https://www.researchgate.net

[2] *Convergence Analysis Ltd.*, *Artificial Intelligence and Legal Personhood* (2025),

[3] *Siddhi, The Legal Personality Of AI: Should Machines Have Rights or Duties? Law Audience Journal, Vol. 6, Issue 1, pp. 123–129 (June 16, 2025)*

persons. Viewing limited personhood as not a radical innovation in legal tradition but a development in terms of how the law has long adapted to new social realities would not be a radical innovation.

Conceptual and Policy Implications.

Those pragmatic arguments supporting the personality of AI are based on the same grounds as previous extensions of the concept of legal subjectivity utility, accountability, and coherence. Personhood, as the

corporate analogy illustrates, has never entailed the human-like consciousness. It is a legal instrument for arranging rights and duties.

But AI personhood would have much more implications than convenience. That assignment of rights and responsibilities to something non-conscious might change some of the basic legal principles; especially the doctrine of mens rea, that of negligence, and that of moral culpability. To this end, many researchers support a gradual or partial strategy: an AI should be allowed by law only in a few, quite functional situations (e.g., liability, IP rights, agency in the contract).

This incremental approach allows to balance between the necessity to have clarity in regulation and the need to retain legal principles that are human-centered.

ARGUMENTS IN FAVOUR OF LEGAL PERSONALITY FOR AI

The legal personality is the recognition of a law of an entity as having rights and responsibilities. Two major types of legal person exist: natural persons (humans) and juristic or artificial persons (such as corporations, trusts and some environmental persons in India, such as rivers).

Increasing the introduction of Artificial Intelligence (AI) into human life is both autonomous cars and algorithmic decision-making are all examples of the system to which the question of whether AI, something that is neither human nor conventional artificial, should be considered a legal person arises. This question becomes more pressing with the further formation of AI abilities such as reasoning, learning, and problem-solving.

Although AI has no conscience, empathy, or sense of right and wrong, which are traditionally related to moral and legal responsibility, it still has some level of independence, which questions classical liability and accountability principles. Law, as legal theorists note, has never been immune to social and technological change; it may once again have to evolve to respond to things with a certain degree of autonomy previously the prerogative of humans.

The Autonomy/Accountability Gap.[4]

The advocates of AI personhood argue that the legal recognition of AI personality is a logical next step in holding an AI-driven world responsible. They include self-driving cars that must make life-or-death decisions in a second, medical diagnostic systems that give out life-altering verdicts, and automated trading systems that are running multiple-billion-dollar trades.

This independence in operations forms an accountability gap. Whenever an injury happens, it is still not clear whether the programmer, the manufacturer or the owner or the user should be charged. With the growing autonomy of AI systems, the established principles of the tort or product liability might not be applicable. Giving an AI entity a legal personality may thus help define accountability, with the liability being held directly by the AI itself or its legal body.

Legal Personhood as an Analogy of Corporate Personhood.[5]

The personhood of AI has a very good analogy based on corporate law. Corporations are not conscious entities that possess emotions and moral faculties, but they are persons who can own property, be sued and defamed, and be held accountable to those wrongs. Their personhood is not grounded on moral ability but on economic and social usefulness

Legal status has never demanded consciousness, only utility to society as we can see that Convergence Analysis (2025) points out that corporate personhood is a product that has demonstrated that. Equally, giving AI limited legal recognition may be practical: it would be easier to establish liability, AI could get involved in commerce, and it would be easier to establish intellectual property (IP) rights and contractual establishment.

[4] *Artificial Intelligence and Legal Identity: A 2050 Projection*, *ResearchGate* (2024), https://www.researchgate.net.

[5] The *Legal Personality of AI: Should Machines Have Rights or Duties?* Law Audience Journal (2023).

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Therefore, corporate analogy suggests two important aspects:

- There is precedent of extending legal subjectivity outside of human beings.
- Legal personhood can be justified in utility, and not consciousness.

Liability and Efficiency

The other significant element of AI that should be legalized has to do with the efficiency of liability. In cases such as a rogue autonomous system that causes harm, including a runaway driverless car, it might be challenging to dismantle liability between the software programmers, the robot makes and took in end-users.

According to Convergence Analysis (2025), providing AI with a legal person would provide efficient redress and provide uniform jurisprudence. Sharkey recommends that AI systems should be considered as products in the case of strict liability, so that their creators should be liable, but the AI itself should be able to act as a quasi-legal person in court.

This would promote preventive regulation, which will encourage developers to develop AI architectures that are safer. When AI entities are subject to lawsuits or a fine, developers would have real incentives to ensure responsible development and testing.

Personhood of AI and Functional Utility.[6]

In addition to the issue of liability, the fact that AI is functionally integrated in human systems reinforces the proposal of restricting legal status. The AI has now assumed the role of human beings by contract writing, creating works of art, trading finances, and resource management. In other regulatory frameworks, AI could even become the owner of intellectual property or sign so-called smart contracts.

The acknowledgment of such systems as limited legal persons may simplify relations in such areas as commerce, intellectual property, and data privacy. To illustrate, an AI artist or inventor would be able to directly own the rights to its work and eliminate any complicated arguments regarding human authorship.

Future Vision and Regulatory Development.

Others predictive solutions are that as the AI systems keep growing, new legal bodies might be required. An AI-managed company of the future described in a ResearchGate white paper envisions a 2050 situation in which the company has a charter, a legal identity of its own, and can own property, prosecute its inventions, and even pay taxes.

Although these concepts are hypothetical, they highlight the truth of the matter; law is a social construct that is meant to control the interaction between agents. When the AI systems start acting as agents of their own, it may require the system to accept them, not because it is morally necessary, but because they provide some functional coherence.

CRITICISM OF LEGAL PERSONHOOD OF AI

Notwithstanding the increasing discourse of the supporters of the idea to provide Artificial Intelligence (AI) with legal personality, a robust opposition to this problem is based on legal theory, moral philosophy, and practical reasons. Opponents believe that AI does not possess the necessary properties of moral or legal agency that is, consciousness, intent, and free will. Legal frameworks, and particularly those traditionally founded on common law, are organized around such concepts as mens rea (intent), negligence, and duty of care, and cannot therefore behave in a way that is meaningfully legally responsible.

Moreover, a number of jurists believe that the current legal frameworks can be used to mitigate the harm caused by AI, imposing liability on developers, users, or corporations. Creating a new category of AI people, they say, is dangerous as it will blur the traditional doctrines and undermine human responsibility.

The Lack of Consciousness and Moral Agency.

The main philosophical argument against the personhood of AI is that AI has no concept of consciousness and moral cognition, which are the main aspects of the concept of agency in law. An AI lacks subjective experience, emotions, and feelings like in human beings (or even the emotions of sentient animals).

Critics are concerned that in the event that AI is seen as an autonomous decision-maker, there might appear accountability vacuums where human actors (programmers, owners, corporations) shall attempt to shift responsibility onto the algorithm itself.

Anthropocentrism and Human Dignity Protection.

Critics also highlight the fact that law is anthropocentric-law is meant to control human actions and safeguard human dignity. This foundation may be twisted by giving non-

[6] Manish Kumar Singh, Artificial Intelligence and Legal Personhood: Redefining the Status in Legal Jurisprudence, Int'l J. Judicial & Soc. Res., vol. 4, no. 2, 171–178 (2024),

sentient machines their rights or duties. According to AI Watch Daily, the idea of granting legal rights to machines, as is being warned, will downgrade the purpose of human personhood.

Ethicists hold that the rights are created to protect the interests of beings that can have an experience. Because AI cannot have subjective experience, it also has no interests that need protection.

The philosophers warn against anthropomorphism--the generalization of human-like qualities of machines. According to PhilArchive, naming AI as intelligent or empathetic is an overstatement of its abilities and a distortion of moral judgment, which makes society err and deceive the population.

The Danger of Legal and Ethical Abuse.[7]

The other significant criticism is on the possible abuse of AI personhood. The same legal entity used to shield human wrongs can be used in an AI just like corporate formations are at times used as a disguise to cover misconduct by man.

Assuming that AI entities would be considered persons, it is possible that corporates may establish AI subsidiaries to take legal responsibility without holding the human directors responsible. The real responsibility might be concealed behind this techno-legal abstraction which permits the harmful acts to be unpunished.

In addition, its enforcement presents severe practical problems. In what ways would AI penalties be executed? Would there be deactivation, or code modification or hardware seizure punishment? These actions cannot be morally equivalent to human punishment, and they bring about questions of the concept of justice concerning non-sentient agents.

Current Legal System is sufficient.[8]

The opponents also claim that there is already sufficient legislation to cover harms relating to AI. The AI malfunctions or misconduct can be addressed with the help of product liability, negligence, and contract law.

According to Ward Hadaway Legal Update, in case of any injury caused by an AI system, the courts can sue the company or developer which deployed the system according to the well-established doctrines, which are breach of warranty, negligence, or strict product liability.

Instead of establishing a new category of AI persons, reforming the law may involve revising old doctrines to reflect AI-related contexts more closely, e.g. specifying clear rules on algorithmic transparency, develop accountability and corporate responsibility.

Objections based on Ethics and Philosophy.[9]

Ethically, rights can only be attributed to beings that have interests and experiences. As AI does not possess any subjective inner life, it would be absurd to grant it rights, including the AI suing over privacy breach or ownership of its works.

Moreover, Convergence Analysis warns that such a type of rights inflation may upset the moral architecture of human rights law.

COMPARATIVE AND PHILOSOPHICAL LEGAL PERSONHOOD OF AI.

Whether to give Artificial Intelligence (AI) the legal rights and liabilities is a discussion that goes way beyond national scope. Comparative learning shows that there are contrasting global practice approaches based on cultural, legal and ethical systems. These views bring a good background to the issue of whether AI has a legal personhood and the effect it has on the justice and accountability as well as moral philosophy.

European Developments European Electronic Personhood Proposal.[10]

In 2017, the European Parliament proposed a resolution that proposes the establishment of a new category of so-called electronic personhood of autonomous AI systems. This was aimed at coming up with a system that might impose liability on highly independent systems whose actions could not be linked to human operators directly. The scheme was however criticized immediately by legal

[7] Siddhi, The Legal Personality Of AI: Should Machines Have Rights or Duties? Law Audience Journal, Vol. 6, Issue 1, pp. 123–129 (June 16, 2025)

[8] The *Legal Personality of AI: Should Machines Have Rights or Duties?* Law Audience Journal (2023).

[9] *TechReg Review*, *AI and Legal Agency: The Boundaries of Responsibility* (2024), https://techreg.org.

[10] European *Parliament Resolution on Civil Law Rules on Robotics*, P8_TA (2017)0051 (Feb. 16, 2017).

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scholars, ethicists and technology experts who claimed that the project was immature and conceptually flawed.

Technologists have argued that AI systems do not possess a state of consciousness, will, or even moral ability, which are the basic qualifications of being considered a person under the law. Ethicists cautioned that the resolution would likely erode the difference between human and artificial agency at the cost of human responsibility. Consequently, the European Parliament eventually withdrew 3 the proposal, acknowledging that although autonomous systems create special liability issues, the existing legal principles should be able to accommodate it without the need to create a novel legal personhood.

United States: The Reluctance of the Judicial and Non-Humans Agency Limits.

The United States has not provided AI systems with a legal personality. However, certain landmark cases make one wary of how the judiciary is going to stretch the law to cover non-human beings.

In Thaler v. In Perlmutter, [11]a case on the copyright ownership of AI-generated artwork, the U.S. District Court of the District of Columbia held that human authorship is a condition to copyrighting AI artwork. The court underlined that copyright law ensures the products of intellectual effort which rest on the creative forces of mind and thus did not apply to the works that were created independently by machines.

Similarly, in Naruto v. Slater[12], or otherwise referred to as the monkey selfie case, the Ninth Circuit Court of Appeals denied a non-human animal the right to stand and prosecute copyright infringement. Naruto is not an AI case, but it exemplifies how the judiciary, more generally, is reluctant to grant non-human beings the rights and/or legal person status of human beings.

Such examples strengthen one basic law: rights and obligations are a result of human moral and rational ability and not of functionality. Being a human invention, AI is not exempt from the current product liability, agency, and negligence regulations.

Perspectives of Asia: Pragmatism and Ethical Integration.

China: *Personhood vs. Regulatory Focus.*

The attitude toward AI governance in China is focused on regulation and control of personhood or moral status. Chinese government has assumed the human-in-command philosophy, which is strong oversight mechanisms alongside cybersecurity and ethical compliance in AI implementation.

Instead of discussing the rights of AI, China is concerned with making AI a source of national interests, security, and the well-being of society. The China AI Governance Principles (2019) emphasize the importance of beneficial AI to humanity, and this statement is pragmatic, as opposed to philosophical.

Japan: *Familiarity with Culture to Robots Legally Wary.*

The situation in Japan makes a special exception as the society is less hostile to robots based on the cultural discourses that have constructed the image of a friend instead of being a danger. Nevertheless, even with such transparency, Japan has not enshrined any rights of AI systems. In its approach, it incorporates both ethical and social structures and fosters coexistence without modifying legal ontological definitions of personhood.

The Japanese scholars and policymakers note the importance of societal harmony and human-centered AI, as regards the role of AI in helping the healthcare, elderly, and education sectors. This represents a larger cultural ethos of co-existence and not legal reclassification.

Ethical and Philosophical Conjectures.

In addition to the comparative legal systems, philosophical inquiry is important in influencing the debate on personhood. The law is not established in ethical vacuum; it displays values and principles of human society. Legally recognizing AI as a person will raise questions on any long held moral theories regarding agency, autonomy and responsibility.

Kantian Ethics[13]

Considering the Kantian approach to moral responsibility, one would assume that it assumes autonomy, rational will, and moral reasoning ability. Although artificial intelligence can analyze data and behave as a decision-maker, the systems do not have actual independence and

[11] Thaler *v. Perlmutter*, 650 F. Supp. 3d 247 (D.D.C. 2023).
[12] Naruto *v. Slater*, 888 F.3d 418 (9th Cir. 2018).
[13] Immanuel Kant, *Groundwork for the Metaphysics of Morals* (1785).

consciousness. They are thereupon unable to be morally or legally accountable.

Utilitarian Ethics

According to the utilitarian perspective, pleasures, pains, or taste can only be regarded as the rights of beings who can feel either pleasure or pain. As AI does not possess subjective consciousness, it does not have welfare interests to defend itself. Thus, it would not make sense to grant AI legal rights and would be an ethical mistake.

Anthropomorphism as a Problem.

The social and ethical dangers of anthropomorphizing AI - assigning humanity-like traits like empathy or intention to an AI - are high. The emotional connection to machines, including caring robots or AI friends, can impair the perception of the masses concerning their reality. According to scholars, such a misunderstanding of the concept of simulation as equating it with sentience may cause individuals to develop a false sense of moral panic or lack of respect towards human dignity.

ARTIFICIAL INTELLIGENCE LAW AND POLICY IN INDIA.

India offers a distinct and dynamic situation in which the AI legal personhood debate may be discussed. Although AI has not been officially accepted as a legal person, the Indian jurisprudence shows that there is some flexibility in applying legal personality to non-natural people. Some natural and cultural entities are already considered by the courts as legal persons, which is an indication of the potential, although with great caution, of legal status of AI systems in the future under strictly restricted circumstances.

Jurisprudential Elasticity: *Natural and Cultural Things.*

Mohd is a landmark example of the juridical flexibility of India. Salim v. The Uttarakhand High Court[14], which gave legal personhood to the rivers Ganga and Yamuna in the state of Uttarakhand, considering them as living beings with rights and liabilities, is an expression of judicial elasticity in the jurisprudence in which legal personality is granted to the environment, to cultural or social entities.

Nonetheless, this awareness of natural things, however, is not the same as AI. River legal personhood is a solution to ecological protection and public interest but saying that AI should be given legal personhood may have different goals, including the allocation of liabilities or economic regulation. The situation and purpose of personhood is therefore important when it comes to AI.

Indian Law as it relates to AI today.

Even now, in Indian law, there is no clear section that grants personhood to AI systems. Electronic governance, cybersecurity, and cybercrime are regulated by the Information Technology Act, 2000,[15] which, however, does not concern the autonomous AI systems and their legalization.

The Indian tort and criminal law is based on the humanistic ideas of intent and foreseeability. As AI systems are not conscious, they are not intended or moral, no traditional doctrine can be used to blame them without violating the core tenets of liability.

However, initiatives that are implemented at the policy level are future-oriented. An example is that NITI Aayog has published white papers on AI ethics and governance, with a focus on regulation, transparency, and accountability but does not recommend legal personhood.

Middle Ground possibilities: Limited or Quasi-Legal.

India could take a pragmatic, moderate stance, instead of granting AI full legal personhood. AI systems may be regarded as agents of human principals, similar to employees, contractors, or electronic agents of the law of contracts.

In this framework:

With the help of AI, it might be possible to conduct the contractual transactions without lawyers being regarded as independent legal entities.

This might force autonomous AI systems to have insurance or compensation funds in case of damage or injury during operation.

AI systems may be licensed and registered before implementation, similar to the process of licensing or compliance of professional bodies with interests in the common good.

These measures hold accountability and liability without holding AI in a moral agency similar to humans. In fact, some Indian insurance companies have already started to sell insurances to drones, self-driving cars and

[14] Mohd. *Salim v. State of Uttarakhand*, Writ Petition No. 126 of 2017, Uttarakhand High Court.

[15] Information Technology Act, No. 21 of 2000 (India)

robots which proves that limited legal frameworks of autonomous machines can be commercially viable.

Regulatory Tools and Human Supervision.

To be accountable but at the same time uphold human-centric principles of the law, AI implementation might be regulated by technical and procedural means, including:

- AI audit trails to note procedure of decision making.
- Policy Transparency-by-design policies that have explainable algorithms.
- Necessary reporting of AI functionality, operation, and limitations.

These would make it possible to assign blame and enforce regulations but leave human operators or principals at the point of legal liability. Incorporated along with insurance and certification systems, India would be able to reach pragmatically accountable without creating distortion to legal and ethical premises.

FINDINGS, CONCLUSION AND RECOMMENDATIONS

The discussion about whether Artificial Intelligence (AI) should have legal personality or not is a problem that is a complicated boundary of law, morals, technology, and cultural values. This is becoming more autonomous and involved in the areas that have always belonged to human beings, including driving, medical decision-making, financial trading, and creative work. Advocates claim that AI legalizing would help in clarifying the issue of liability, streamline commerce, and enhance regulatory efficacy, which has long since been demonstrated by corporate personhood that legal subjectivity does not presuppose consciousness, but merely functional utility.

Nevertheless, the counterarguments are still strong. AI is not conscious, intentional or moral, which are fundamental expressions of legal and ethical responsibility. Considering AI, a person would ruin the established principles of mens rea, negligence, and human-oriented moral responsibility. It is also prone to creating accountability gaps, watering down human rights, and even making it easy to misuse them by taking off the human aspect and placing it in the machine. Practical experiences indicate that other jurisdictions like the European Union, the United States, China, and Japan are reluctant and opt to regulate their functions as opposed to granting AI legal personality. The position of philosophy, such as Kantian and utilitarian ethics, only emphasize further that rights and responsibilities must be ascribed to subjects of experience.

Jurisprudential innovations, like rivers as legal persons in Mohd, were made in the Indian context. Salim v. State of Uttarakhand- exemplify that legal personalities are not exclusively anthropocentric, and such extensions have been based on social, environmental or cultural intentions. The existing Indian law such as the information technology act, 2000 and the tort and criminal doctrines are still human centered giving more priority to intent and foreseeability. Nonetheless, such policy plans as the AI strategy of NITI Aayog and the regulatory studies of MeitY suggest a readiness to change the legal principles of the new technologies, without turning to the status of complete AI persons.

An empirical middle would arise identifying AI systems as providing less or more legal capacities. This will enable AI to serve as an instrument of human principals, and promote contractual and commercial activities, and provide accountability through insurance, certification, audit trails, and transparency mandates, and without sacrificing the underlying human principles of law.

The final findings indicate that while AI cannot be treated as full legal persons, they can be treated as functional legal agents. Additionally, granting limited personhood solves existing liability gaps, though ongoing ethical concerns necessitate strict regulation. Based on these conclusions, the final result is that the hypothesis is partially accepted.

RECOMMENDATIONS

On the analysis of the legal and policy framework of AI in India, the following recommendations are suggested:

AI Systems Quasi-Legal Status. Artificial intelligence is not supposed to be considered complete legal persons. Rather, they must be viewed as the agents of human principals in whose legal liabilities are mediated by their human operators or owners.

Compulsory Registration and Certification. The deployment of advanced AI systems in the commercial or safety-critical industry should be licensed and registered as in the case of professional regulatory frameworks.

Insurance and Compensation Systems. AI entities would be required to maintain compulsory insurance or compensation funds in case of any damage where victims can have an easy way of seeking redress without holding machines responsible as moral agents.

Transparency and Auditability Algorithms. It should be mandated in the policies that explainable AI and audit trails are provided so the regulators and courts can learn how AI processes decisions.

- **Regulatory Oversight :** The government and other regulatory bodies, such as MeitY and industry regulators, ought to impose ethical use, safety, and compliance criteria of AI, such as privacy, cybersecurity, and consumer protection.
- **Incremental Legal Reforms:** Making AI persons would be a mistake; instead, the current laws including the tort, contract, and product liability law need to be modified to reflect the realities of AI so that the law is clear without compromising human responsibility.
- **Education about Ethics and Public Awareness:** To ensure that anthropomorphizing and unrealistic expectations are avoided, stakeholders such as developers, businesses, and consumers need to be informed on AI abilities and constraints.

The hypothesis that AI can be granted limited legal personhood is not fully accepted but strongly supported in a restricted sense

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