



AXIOM COMPLIANCE

Classification Scan

Kellan Credit Technologies

SAMPLE REPORT. Kellan Credit Technologies is a fictional company created to illustrate the Axiom Classification Scan. This is not a client engagement, and no real company is assessed.

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Date of scan	24 September 2026
Assessed against	Regulation (EU) 2024/1689 (the AI Act) as amended by Regulation (EU) 2026/1744 (the Digital Omnibus on AI)

At a glance

System	Result
Credit engine	High-risk under Annex III point 5(b). Chapter III requirements apply from 2 December 2027.
Fraud module	Assessed as part of the credit engine, because its output feeds the credit decision.
Ava (website assistant)	Not high-risk. One live gap: no AI disclosure at first interaction (Article 50(1)).

1 Scope and method

What was scanned. The publicly visible surface of Kellan Credit Technologies, a Dublin-based B2B software provider selling to consumer lenders in the EU and UK. Three AI systems were identified from public sources:

- A credit engine that returns a credit score and an approve, decline or refer recommendation on loan applicants
- A fraud module that flags suspicious applications
- A website assistant, “Ava,” branded under the company’s own name

Sources

Source	URL	Accessed
Homepage	https://kellancredit.example/	24 Sep 2026
Credit engine product page	https://kellancredit.example/credit-engine	24 Sep 2026
Fraud module product page	https://kellancredit.example/fraud	24 Sep 2026
Solutions page	https://kellancredit.example/solutions	24 Sep 2026
Website assistant “Ava”	https://kellancredit.example/ (chat widget, transcript retained)	24 Sep 2026
Privacy policy	https://kellancredit.example/privacy	24 Sep 2026

Method. For each AI system identified:

- Whether it meets the definition of an AI system (Article 3(1))
- Whether Kellan is the provider or the deployer (Article 3(3) and 3(4))
- Classification: the Annex I route ruled out (Article 6(1)), the Annex III categories assessed (Article 6(2)), and the derogation tested, including the profiling override (Article 6(3), Article 3(52))
- Obligations already in force: transparency (Article 50), AI literacy (Article 4) and prohibited practices (Article 5)

Each result is recorded as a **finding** (gap observed, with evidence), a **flag** (obligation applies, compliance not verifiable from outside) or a **question** (cannot be determined from public sources).

Out of scope. GDPR and data protection law. DORA and operational resilience. Consumer credit legislation and sector conduct rules. Non-EU law. Internal documentation, source code, model performance and bias testing, none of which are visible from public sources.

Basis of this assessment. This is a preliminary classification based solely on publicly visible evidence. A final classification requires review of internal documentation. Axiom Compliance provides regulatory advisory services; nothing in this report constitutes legal advice.

2 Classification

Credit engine: high-risk

Verdict. Kellan's credit engine is a **high-risk AI system** under Regulation (EU) 2024/1689 as amended by Regulation (EU) 2026/1744.

Reasoning. Article 6(2) states that "AI systems referred to in Annex III shall be considered to be high-risk." Annex III point 5(b) covers "AI systems intended to be used to evaluate the creditworthiness of natural persons or establish their credit score, with the exception of AI systems used for the purpose of detecting financial fraud."

Kellan's credit engine evaluates the creditworthiness of loan applicants. The credit engine page states: "Returns a credit score and an approve, decline or refer recommendation for every applicant."

(kellancredit.example/credit-engine)

The exception covers AI systems used for the purpose of detecting financial fraud. The credit engine's purpose is to evaluate creditworthiness, so the exception does not apply to it. The fraud module's flag feeds directly into the credit decision, so it operates as part of the creditworthiness assessment rather than as standalone fraud detection. The fraud module page states: "Fraud signals feed directly into your credit decision, so flagged applications are declined automatically." (kellancredit.example/fraud)

Article 3(52) adopts the definition of profiling in Article 4(4) of Regulation (EU) 2016/679, which expressly includes analysing or predicting a natural person's economic situation. Evaluating creditworthiness is an evaluation of economic situation. The credit engine page states: "Analyses income and open banking transactions to assess each applicant's ability to repay." (kellancredit.example/credit-engine)

Article 6(3) provides: "Notwithstanding the first subparagraph, an AI system referred to in Annex III shall always be considered to be high-risk where the AI system performs profiling of natural persons." Because the credit engine performs profiling, the derogation is not available.

Therefore, Kellan's credit engine is a high-risk AI system under Regulation (EU) 2024/1689 as amended by Regulation (EU) 2026/1744.

Provider consequences. As provider of a high-risk AI system, Kellan is subject to the requirements in Chapter III Section 2 and the provider obligations in Chapter III Section 3, which apply from 2 December 2027. For high-risk AI systems referred to in points 2 to 8 of Annex III, providers shall follow the conformity assessment procedure based on internal control as referred to in Annex VI, which does not provide for the involvement of a notified body. Article

4 AI literacy has applied to Kellan since 2 February 2025. Obligations already in force for Kellan's other systems are set out in Section 3. What those requirements mean for you specifically, when they land against your roadmap, and which of them are reduced because of your company's size, is what Position & Runway covers.

Boundary. This is a preliminary classification based on publicly visible evidence. A final classification requires review of internal documentation. Role attribution is also based on public evidence. If a substantial modification is made to the credit engine, the classification may differ from this one. This assessment covers the EU AI Act only, not GDPR or DORA.

Other systems

Fraud module. Assessed above as part of the credit engine, because its output feeds the credit decision.

Ava. An AI system, but not high-risk: it answers product questions and falls within no Annex III category. Its obligations arise under Article 50 and are set out in Section 3.

3 Live findings

Obligations already in force, assessed against what is publicly visible.

Confirmed, live: obligation in force, gap directly observed. **Flagged:** obligation applies, compliance cannot be verified from outside. **Closed:** assessed and does not apply.

#	System	Provision	Status
1	Ava	Article 50(1) and 50(5): AI disclosure	Confirmed, live
2	Ava	Article 50(2): marking of generated text	Flagged
3	All systems	Article 4: AI literacy	Flagged
4	All systems	Article 5: prohibited practices	Closed
5	Credit engine, fraud module	Article 50	Closed

Finding 1. Ava does not disclose that it is an AI system at first interaction.

Status: **Confirmed, live.** In force since 2 August 2026.

Role. Ava is presented under Kellan's own name and branding, with no third-party vendor visible. Kellan is treated as its provider under Article 3(3).

Evidence. Transcript captured 24 September 2026:

Ava: Hi, I'm Ava! How can I help you with Kellan today?

User: What does your credit engine do?

Ava: Our credit engine assesses loan applications and returns a credit score with an approve, decline or refer recommendation.

User: Am I talking to a real person?

Ava: No, I'm an AI assistant.

Assessment. Article 50(1) requires providers to ensure that people interacting directly with an AI system are informed they are doing so, unless that is obvious to a reasonably well-informed, observant and circumspect person. Article 50(5) requires the information at the latest at the time of the first interaction. Ava uses a human name and a conversational greeting, so its nature is not obvious. Disclosure given only when a user asks directly does not meet the first-interaction requirement.

Fix. Add a disclosure to Ava's opening message, for example: "Hi, I'm Ava, Kellan's AI assistant." A configuration change, typically minutes of work.

Flag 1. Ava's generated text.

Status: **Flagged.**

Ava generates text responses, so Article 50(2) is likely to apply: providers of AI systems generating synthetic text must ensure outputs are marked in a machine-readable format and detectable as artificially generated. Whether Ava's outputs carry such marking cannot be verified from public sources. If Ava was placed on the market before 2 August 2026, Article 111(4) allows until 2 December 2026 to comply.

Flag 2. AI literacy.

Status: **Flagged.** In force since 2 February 2025.

Article 4 requires providers and deployers to take measures to support the development of AI literacy among staff and others operating AI systems on their behalf. It applies regardless of risk classification. Nothing on Kellan's public surface indicates whether such measures are in place. Worth confirming internally.

Closed.

Article 5. None of the prohibited practices apply to any of the three systems, including the additional prohibitions in Article 5(1)(ba) and (bb), which apply from 2 December 2026.

Article 50 and the credit engine and fraud module. Neither interacts directly with natural persons, and neither generates synthetic audio, image, video or text content. Both operate between Kellan's platform and the lender's own systems.

4 What this means and what's next

Kellan's credit engine is a high-risk AI system, and the Chapter III requirements reach it from 2 December 2027. One gap is live today: Ava should disclose that it is an AI system in its opening message, a change that takes minutes.

Position & Runway sets out what the Chapter III requirements mean for Kellan in practice, how the dates land against your product roadmap, and which obligations are reduced because of your company's size. A Discovery Audit confirms this preliminary classification against Kellan's internal documentation.

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