



Remarks for Westminster eForum Policy Conference:

Collaboration in digital regulation and priorities for the DRCF

11 July 2023

It's a pleasure to be with you today. I joined the DRCF just two months ago, having worked as a researcher and consultant on the governance of emerging technology for the last few years after many years as a lawyer and diplomat. I plan to cover a few key points: first the rationale for the DRCF and what it is; second how it delivers on this vision; and third a word on the wider picture, both in the UK and internationally.

Rationale for the DRCF and what it is

First on the rationale. The DRCF enables a regulatory model in which existing regulators can apply their existing sectoral or market expertise in the new digital economy, which is really important for effective regulation, while at the same time collaborating on shared challenges.

As you know, digital markets span all aspects of our economic and social lives. The same situations increasingly engage the remits of multiple regulators, bringing both potential overlaps and tensions.

To give an example, back in 2019/2020, there was a perceived tension between the rights of citizens to privacy in relation to their personal data on the one hand, and enabling greater access to data for competitive digital markets on the other.

To resolve that tension the Competition and Markets Authority and the Information Commissioner's Office worked through the issues together, resulting in their dissipating that tension through a joint 2021 statement on competition and data protection in digital markets.

That collaboration was one of the early successes of the Digital Regulation Cooperation Forum. The DRCF provides the vehicle for its four member regulators – the CMA and ICO, together with Ofcom and the Financial Conduct Authority – to achieve the efficient and joined-up regulation that is key to the success of digital markets.

Through the DRCF, the CMA and ICO continue to work together on **data and competition** issues: indeed, that team plans to publish a joint position paper on online choice architecture in the next few weeks.

The DRCF aims not only to resolve tensions but also to harness synergies where the roles of its member regulators overlap. For example, Ofcom and the ICO's collaboration on children and adults' **safety online** brings benefits to the work of both regulators in that space. The same is true of the FCA and Ofcom's joint work on **illegal online financial promotions** and fraud. And the collaborative work of all four regulators on **horizon-scanning**, taking deep dives into emerging technologies such as Web 3, quantum and immersive futures, helps all 4 regulators to understand and address the regulatory implications of those developments.

To be clear, the DRCF is the connective tissue between its member regulators. It is not a regulating entity, let alone a super-regulator. It is a non-statutory, voluntary body for inter-regulator collaboration, and doesn't change the statutory regulatory responsibilities of its members. Consequently my DRCF colleagues and I are not going to engage in detailed discussion of, for example, competition regulation, as that's for the CMA. The same is true of the FCA as regards financial services, the ICO regarding personal data, and Ofcom on online safety.

Overall, working together as DRCF enables our member regulators to do four things.

- First, to achieve better outcomes for industry and consumers through a coherent approach across our different regulatory regimes
- Second, to leverage our members' combined knowledge and skills to address key challenges and issues
- Third, to respond to the scale and global nature of large digital platforms and the speed of innovation
- Fourth, to engage collectively with key stakeholders where it makes sense to do so.

How we deliver

So how do we deliver all of that? Well, we have tremendous support from the top of all four member organisations, providing a clear vision of cooperation and driving forward our collective ambition.

Day to day, we operate on a project basis, with project teams across the member regulators driving each project, with coordination from teams at the centre and within each regulator. These projects are clustered around the 3 C's that guide our work:

- Coherence to resolve potential tensions between our regulatory regimes;
- Collaboration in joint work on complex challenges; and
- Capabilities for the future, with the right people, skills and critical functions.

You can find our 23/24 Workplan, which sets out our planned projects for the year, on the DRCF's new website, www.drcf.org.uk. We are consultative in establishing our workplans: this year's plan followed a public call for interest, a series of roundtables, as well as extensive discussions with the member regulators.

I have already mentioned a couple of our current projects. I'll briefly highlight a few more. Our **Algorithmic Processing** project aims to lead the way in exploring best practice in AI regulatory governance. The project team have carried out joint work on algorithmic benefits and harms, the role of algorithmic audit, and transparency in procurement of algorithmic systems. This year, the member regulators plan to build common understanding of key principles relevant to AI regulation, such as fairness. They are considering potential joint work on generative AI. The DRCF recently responded to the Government's AI White Paper consultation, in parallel with separate responses by some of our members.

Another project is our **Enabling Innovation** workstream. It is currently exploring, with funding from the government's Regulators' Pioneer Fund, a potential multi-agency advisory service aimed at digital innovators. We should have the results of that exploratory work by September.

Recently, both the Vallance Report and the Government's AI White Paper suggested that a cross-regulator sandbox would benefit AI innovators. We are liaising with Government about this possibility, and we're sharing with them the insights gained in our Enabling Innovation project.

I'd also like to highlight our third C, on capabilities. Each of our member regulators is on a journey. They have each been adapting their existing functions to the new digital economy. There are significant Bills in Parliament, or just passed, that affect each of their regulatory remits. There are changes of function and of focus, for example on risk, in some of this new digital regulation. And each regulator is considering how most appropriately to harness emerging technologies itself in the exercise of its responsibilities. Our **Skills & Capabilities** and **SupTech** projects are aiming to harness synergies between our members as they evolve.

The wider picture

Turning to the wider picture, as you know the DRCF has four member regulators. There are many other regulators in the UK whose remit also now spans digital issues. We have established the **UK Regulator Round Table**, through which we hold quarterly meetings with ten other regulators to improve our mutual understanding of the breadth of digital regulatory work, identify potential synergies, and discuss cross-cutting areas of interest. The roundtables enable us to discuss shared challenges and create the potential for partnerships on specific projects in the future.

Internationally, we are not alone in recognising the benefits of increased coherence between regulators. Several jurisdictions, including the Netherlands, Australia, Ireland and Canada, have now established similar fora to the DRCF. We recently inaugurated the **International Network for Digital Regulation Cooperation** to bring us together with our counterparts and plan to grow it further.

Conclusion

To conclude, first a note of realism, and then one of optimism.

My realist point is that the DRCF isn't a panacea for all the challenges inherent in digital regulation right across the economy. As I have described, the DRCF aims to promote collaboration, coherence and capabilities between its member regulators. It facilitates a strong regulatory model: one that harnesses the well-established sectoral and market expertise of its members while promoting synergies and addressing tensions. But it doesn't extend the remits of the regulators to every challenge associated with the digital economy, nor is it equipped to empower regulators outside its membership.

My note of optimism is that, thanks to all the efforts of everyone involved with DRCF since its establishment in 2020, the DRCF works well. Collaboration is vital for effective digital regulation, and the DRCF enables that. As a newcomer, I can see that it has generated mature and confident relationships between its members, and has produced valuable results. The DRCF's agility as a non-statutory body enables it to pivot and develop as technology and the regulatory landscape do the same.

To keep up to date with our work, please do find the DRCF website and follow our new LinkedIn page. I trust this has been a useful overview of the DRCF and am happy to answer your questions.