

# Press release: UK and World Economic Forum to lead regulation revolution to foster industries of the future

- Partnership will push forward a modern 'agile' regulatory approach that fosters innovation and keeps tape to a minimum whilst protecting consumers
- Work is part of the government's ambition through the modern [Industrial Strategy](#) for a 'regulation revolution' that meets the challenges and opportunities of technological advances

A partnership building on the UK's heritage and excellence in regulation will ensure the UK is at the forefront of the next regulation revolution – creating an environment which fosters and supports entrepreneurship and the innovative industries of the future from flying taxis to digital lawyers – was announced yesterday by the Business Secretary Greg Clark.

Speaking at the World Economic Forum Annual Meeting in Davos, the Business Secretary confirmed the UK would establish a new partnership with the World Economic Forum Centre for the Fourth Industrial Revolution, based in San Francisco, to develop future regulation which benefits business and consumers.

New technology is rapidly changing and creating entirely new industries, products and ways of serving customers with digital platforms improving the quality, speed, and price of a range of services from shopping and parking to streaming entertainment and travel. But alongside these economic opportunities come a range of ethical, legal and consumer protection issues which will require an active and agile response from regulators.

Business Secretary Greg Clark said:

The speed of technological innovation across the globe is faster than ever. New technology is not only revolutionising existing products and services, it is creating whole new industries and business models. The UK is recognised across the world for its regulatory environment which achieves both the protection of consumers whilst maintaining an openness to innovation – a framework which has been exported across the world.

Our regulators have a fundamental role in ensuring the success of future industries and innovations through active and agile governance whilst ensuring the protection of consumers.

The government sees active and agile regulators as key to creating the business environment in which the industries of the future can grow, as part of our modern Industrial Strategy. This new

international collaboration will ensure the UK leads the way in guaranteeing the UK and global regulatory system keeps pace with the speed of change.

The United Kingdom is the first country to partner with the Centre for the Fourth Industrial Revolution on this project, building on its existing collaboration with the Centre on artificial intelligence.

The partnership work will focus on areas of innovation which align with the [UK's Industrial Strategy Grand Challenges](#), such as:

- AI and Machine learning
- Autonomous and Urban Mobility
- Drones and Tomorrow's Airspace
- Precision medicine

The move reflects the government's commitment to ensuring that UK regulators are agile and ready for and to foster the industries of the future. In October 2018 the OECD reported the UK as a world leader, recognising the supportive and exceptional performance of the UK's regulatory system in its annual Regulatory Policy Outlook.

The UK has been pioneering an agile approach to regulation, such as the Financial Conduct Authority (FCA) introducing a 'regulatory sandbox' in 2016, allowing innovative businesses to work with the regulator to test products with consumers without having to meet all the usual requirements for compliance. This allows innovators to benefit from better market testing and consumers to benefit from new products which have better safeguards built-in from the beginning.

The Business Secretary has been leading efforts in the government, through a Ministerial Working Group on regulation, to transform the UK's regulatory system towards this agile approach. This involves continuously identifying new opportunities and driving regulatory reform; making regulations technology neutral and framing our laws around the goals we want to achieve; and creating more space for experimentation with a greater emphasis on testing and trialling new innovations.

Kay Firth-Butterfield, Head Artificial Intelligence & Machine Learning at the World Economic Forum said:

I am delighted that BEIS will be joining the work of the Forum around agile governance of 4IR technologies. I look forward to working with them on the AI Team's 'Reimagining the regulator' project, where their work on regulatory models will be very valuable.

In October 2018 the Business Secretary awarded £10 million to 15 projects through the government's Regulators' Pioneer Fund to help unlock the potential of emerging technologies, from robotlawyers to flying taxis. To

support innovations to come to market, regulators as diverse as the UK Space Agency and the Care Quality Commission launched new initiatives to boost engagement with innovators in their sectors.

The government's [Modernising Consumer Markets green paper](#) set out how regulators should ensure that consumers are not being unfairly penalised by suppliers who hold information on their behaviour as well as looking at how their own data can be made more accessible to consumers and making it easier for people to switch to better value services.