[U.K. and U.S. governments collaborate on prize challenges to accelerate development and adoption of privacy-enhancing technologies](#)

- Prize challenges aim to generate technology innovation to help tackle the global challenge of financial crime

- Innovators will be able to draw on expert advice from U.K. and U.S. regulators

The United Nations (UN) [estimates](#) that up to $2 trillion of cross-border money laundering takes place each year, financing organised crime and undermining economic prosperity. Greater information sharing and collaborative analytics among financial organisations could transform the detection of this activity, but [research](#) by the Royal United Services Institute (RUSI) shows this is hindered by the legal, technical and ethical challenges involved in jointly analysing sensitive information.

Financial crime is among those global challenges that PETs could play a transformative role in addressing.

Today, the U.K. and U.S. governments are developing prize challenges focused on advancing the maturity of privacy-enhancing technologies (PETs) to combat financial crime.

Speaking at the Global Leaders Innovation Summit during London Tech Week in the U.K., Julia Lopez, the Minister for Media, Data and Digital Infrastructure at the Department for Digital, Culture, Media and Sport (DCMS), outlined how PETs can be harnessed to tackle global challenges – from the COVID-19 pandemic to human trafficking – by enabling insights to be derived from sensitive data, while protecting individuals' privacy and proprietary information.

PETs include maturing technologies, such as federated learning, which allows machine learning models to be trained on high quality datasets, without the data leaving safe environments. Such technologies have the potential to help facilitate privacy-preserving financial information sharing and collaborative analytics; allowing suspicious types of behaviour to be identified without compromising the privacy of individuals, or requiring the transfer of data between institutions or across borders. Through the U.S. and U.K. prize challenges, innovators will develop state-of-the-art privacy-preserving federated learning solutions that help to tackle the barriers to the wider use of these technologies.

[Research](#) by the Financial Action Task Force (FATF) has found that uncertainty about the regulatory implications of using these technologies is a significant barrier to adoption. As part of the PETs prize challenges, innovators will be able to engage with regulators, including the U.K.'s Financial Conduct Authority (FCA) and Information Commissioner's Office (ICO), and the U.S.' Financial Crimes Enforcement Network (FinCEN).

The U.K.-U.S. collaboration on the PETs prize challenges was first [announced](#) at the Summit for Democracy in December 2021. Since then, the U.K.'s Centre for Data Ethics and Innovation (CDEI) and Innovate U.K. have been working with the White House's Office of Science and Technology Policy (OSTP), the U.S. National Institute of Standards and Technology (NIST), and the U.S. National Science Foundation (NSF) to take the prize challenges forward.

The challenges will open to innovators on both sides of the Atlantic this summer. Challenge solutions will be showcased in the second Summit for Democracy, to be convened by President Joe Biden, in early 2023.

The PETs prize challenges form part of a broader CDEI work programme, also announced today, focused on enabling responsible data access. This multi-year programme will pilot and scale new approaches to enabling trustworthy access to data, working with partners across government, industry and regulators.

Julia Lopez, Minister for Media, Data and Digital Infrastructure at the Department for Digital, Culture, Media and Sport, said: "I'm delighted that the U.K. and U.S. are working with regulators on both sides of the Atlantic to help realise the potential of novel privacy-enhancing technologies (PETs) to tackle financial crime. The U.K.'s National Data Strategy outlines the promise of PETs in enabling trustworthy data access. PETs have the potential to facilitate new forms of data collaboration to tackle the harms of money laundering, while protecting citizens' privacy."

Dr. Alondra Nelson, Director of the White House Office of Science and Technology Policy, said: "Data can be marshalled to make life easier and more just. But too often, powerful data tools are instead used to deepen inequality and threaten our most basic freedoms. The PETs prize challenges seek to close that gap and demonstrate how these tools can be used responsibly to achieve their potential across many areas — from improving access to healthcare and addressing the climate crisis to advancing financial security and ending human trafficking. This important initiative is an expression of our shared vision: a world where our technologies reflect our values and innovation opens the door to solutions that make us more secure."

Notes to editors:

- The Centre for Data Ethics and Innovation (CDEI) leads the U.K. government's work to enable trustworthy data-driven innovation, and is part of the Department for Digital, Culture, Media and Sport (DCMS). Supporting the development and adoption of privacy-enhancing technologies to enable sensitive data access is one of the priorities set out in the [National Data Strategy Mission 1 Policy Framework](#),

published in November 2021.

- The CDEI is working with Innovate U.K. to deliver the challenge. Innovate U.K. is part of the U.K. Research and Innovation and is the U.K.'s national innovation agency.

- The White House Office of Science and Technology Policy (OSTP) strives to maximise the benefits of science and technology to advance health, prosperity, security, environmental quality, and justice for all Americans.

- The National Science Foundation (NSF) is an independent federal agency created by Congress in 1950 to promote the progress of science; advance the national health, prosperity and welfare; and secure national defence. NSF is the only federal agency whose mission supports all fields of fundamental science and engineering disciplines, from mathematics, engineering and geosciences to biological, behavioural and computer sciences. Primarily through its Secure and Trustworthy Cyberspace (SaTC) program, NSF supports research and development projects in the area of cybersecurity and privacy that address foundational as well as use-inspired research, transition-to-practice issues, and educational development needs of the nation.

- The National Institute of Standards and Technology (NIST) was founded in 1901 and is now part of the U.S. Department of Commerce. NIST is one of the nation's oldest physical science laboratories. From the smart electric power grid and electronic health records to atomic clocks, advanced nanomaterials and computer chips, innumerable products and services rely in some way on technology, measurement and standards provided by NIST.

- The Information Commissioner's Office (ICO) is the U.K.'s independent regulator for data protection and information rights law, upholding information rights in the public interest, promoting openness by public bodies and data privacy for individuals.

- The Financial Crimes Enforcement Network (FinCEN) is a bureau of the US Department of the Treasury. FinCEN's mission is to safeguard the financial system from illicit use, combat money laundering and promote national security through the collection, analysis and dissemination of financial intelligence and strategic use of financial authorities.

- The Financial Conduct Authority (FCA) is an independent body, accountable to HM Treasury and to Parliament. Find out [more information](#) about the FCA.