UK sets out proposals for new AI rulebook to unleash innovation and boost public trust in the technology

- Comes as Data Protection and Digital Information Bill introduced to Parliament, including measures to use AI responsibly while reducing compliance burdens on businesses to boost the economy
- Regulators like Ofcom and the Competition and Markets Authority (CMA) will apply six principles to oversee AI in a range of contexts

New plans for regulating the use of artificial intelligence (AI) will be published today to help develop consistent rules to promote innovation in this groundbreaking technology and protect the public.

It comes as the Data Protection and Digital Information Bill is introduced to Parliament which will <u>transform the UK's data laws</u> to boost innovation in technologies such as AI. The Bill will seize the benefits of Brexit to keep a high standard of protection for people's privacy and personal data while delivering around £1 billion in savings for businesses.

Artificial Intelligence refers to machines which learn from data how to perform tasks normally performed by humans. For example, AI helps identify patterns in financial transactions that could indicate fraud and clinicians diagnose illnesses based on chest images.

The new <u>AI paper</u> published today outlines the government's approach to regulating the technology in the UK, with proposed rules addressing future risks and opportunities so businesses are clear how they can develop and use AI systems and consumers are confident they are safe and robust.

The approach is based on six core principles that regulators must apply, with flexibility to implement these in ways that best meet the use of AI in their sectors.

The proposals focus on supporting growth and avoiding unnecessary barriers being placed on businesses. This could see businesses sharing information about how they test their AI's reliability as well as following guidance set by UK regulators to ensure AI is safe and avoids unfair bias.

Digital Minister Damian Collins said:

We want to make sure the UK has the right rules to empower businesses and protect people as AI and the use of data keeps changing the ways we live and work. It is vital that our rules offer clarity to businesses, confidence to investors and boost public trust. Our flexible approach will help us shape the future of AI and cement our global position as a science and tech superpower.

The UK is already home to a thriving AI sector, leading Europe and third in the world for levels of private investment after domestic firms attracted \$4.65 billion last year. AI technologies have unlocked benefits across the economy and the country — from tracking tumours in Glasgow and improving animal welfare on dairy farms in Belfast to speeding up property purchases in England. Research this year predicted more than 1.3 million UK businesses will be using artificial intelligence and investing over £200 billion in the technology by 2040.

The extent to which existing laws apply to AI can be hard for organisations and smaller businesses to navigate. Overlaps, inconsistencies and gaps in the current approaches by regulators can also confuse the rules, making it harder for organisations and the public to have confidence where AI is used.

If rules around AI in the UK fail to keep up with fast moving technology, innovation could be stifled and it will become harder for regulators to protect the public.

Instead of giving responsibility for AI governance to a central regulatory body, as the EU is doing through its AI Act, the government's proposals will allow different regulators to take a tailored approach to the use of AI in a range of settings. This better reflects the growing use of AI in a range of sectors.

This approach will create proportionate and adaptable regulation so that AI continues to be rapidly adopted in the UK to boost productivity and growth. The core principles require developers and users to:

- Ensure that AI is used safely
- Ensure that AI is technically secure and functions as designed
- Make sure that AI is appropriately transparent and explainable
- Consider fairness
- Identify a legal person to be responsible for AI
- Clarify routes to redress or contestability

Regulators — such as Ofcom, the Competition and Markets Authority, the Information Commissioner's Office, the Financial Conduct Authority and the Medicine and Healthcare Products Regulatory Agency — will be asked to interpret and implement the principles.

They will be encouraged to consider lighter touch options which could include guidance and voluntary measures or creating sandboxes — such as a trial environment where businesses can check the safety and reliability of AI tech before introducing it to market.

Industry experts, academics and civil society organisations focusing on this technology can share their views on putting this approach into practice

through a call for evidence launching today.

Responses will be considered alongside further development of the framework in the forthcoming AI White Paper which will explore how to put the principles into practice.

The government will consider ways to encourage coordination between regulators as well as looking at their capabilities to ensure that they are equipped to deliver a world leading AI regulatory framework.

Professor Dame Wendy Hall, Acting Chair of the AI Council, said:

We welcome these important early steps to establish a clear and coherent approach to regulating AI. This is critical to driving responsible innovation and supporting our AI ecosystem to thrive. The AI Council looks forward to working with government on the next steps to develop the White Paper.

The government is today also publishing the first <u>AI Action Plan</u> to show how it is delivering against the National AI Strategy and identifying new priorities for the year ahead.

The government has invested more than £2.3 billion in AI since 2014. Since publishing the National AI Strategy last year, the government has announced new investment in the long term needs of the sector, including funding for up to 2,000 new AI and data science scholarships, and opened up new visa routes so the industry has the skills and talent to continue to thrive.

As part of the strategy, the AI Standard Hub was unveiled at the start of the year. The Hub will provide users across industry, academia and regulators with practical tools and educational materials to effectively use and shape AI technical standards. The interactive hub platform, led by the Alan Turing Institute with the support of the British Standards Institution and National Physical Laboratory, will launch in Autumn 2022.

Ends

Notes to Editors:

- The policy paper 'Establishing a pro-innovation approach to regulating AI', which includes a link to the call for evidence, is here.
- The ten-week call for evidence will run until 26 September.

 Organisations and individuals working across AI are encouraged to provide feedback to inform the government's work in this area.
- The Full AI Action Plan can be found <u>here</u>

- Today the Alan Turing Institute is publishing an <u>independent report</u> which found there is a need for greater coordination between regulators to meet the challenge of regulating the use of AI.
- The Data Protection and Digital Information Bill is introduced to Parliament today. The Bill will strengthen the UK's high data protection standards, introduce tougher fines for nuisance calls and cut down on unnecessary paperwork to free-up businesses. The reforms will also modernise the Information Commissioner's Office so it can better help businesses comply with the law.