

Response to the DRCF's call for inputs on its 2024/25 Workplan

techUK and its members continue to be supportive of the DRCF model, seeing this as an effective way of achieving regulatory coordination and coherence across the UK's major regulators who focus on digital services. Our members see the DRCF as a key development for improving regulation and regulatory behaviours at a time when the Government is pursuing significant new legislation and regulation, creating competing and concurrent duties between regulators across a range of areas.

Introduction:

Against this backdrop, the DRCF has continued playing a role in clarifying regulators responsibilities and thinking. The DRCF has also provided public thought leadership to the tech sector, through engagement with techUK and with the UK Government's AI Safety Summit.

techUK [welcomed the DRCF 2023/24 workplan](#), particularly its focus on prioritising digital identity as part of its horizon scanning workstream, recognition of the value joint statements and symposiums bring to stakeholders, and more transparency on its knowledge networks. The call for inputs on the 2024/25 workplan is a further welcome step to improve transparency to support industry and stakeholder engagement.

In preparing our response to the DRCF's call for input into its 2024/25 workplan, techUK hosted a roundtable between the DRCF and techUK's membership. We welcome direct engagement of this kind by the DRCF and the comments made at the roundtable will be referred to throughout this submission.

This response is further informed by techUK's own engagement with the DRCF as well as feedback from members over the last year.

Feedback will fall into several key fields of work: Digital ID, AI, international regulatory issues and stakeholder engagement. Each seek to show how the DRCF can work to ensure regulation supports innovation and a good business environment, while flexibly including emerging technologies.

Artificial Intelligence

techUK members look forward to the implementation of the AI White Paper, and further work the DRCF will do to bring regulators together to discuss how the principles of AI regulation will be interpreted.

Companies will be preparing for the new regulation in 2024, and so the DRCF should continue with this work to provide business with greater clarity as to how the White Paper may be interpreted and implemented by regulators.

Given techUK's support for the principles-based regime, techUK supports this to ensure that the regime is as workable as possible. The appearance of the EU's AI Act means companies will be preparing for the new legislation to come into force in 2025.

In implementing the AI White Paper, there is significant opportunity for regulatory duplication, wasted work, and misallocation of regulatory resource. In documents such as our [UK Tech Plan](#), techUK has called for better resourcing of regulators.

Given the increased responsibilities of regulators in the new year with the AI White Paper, and with the Online Safety Act, techUK urges the DRCF to continue its work in co-ordinating resources between its member regulators to help them make better use of their existing capacity.

Ensuring our regulatory system is ready for both the increasing spread of AI technologies as well as the growing regulatory requirements will be an important feature of 2024. We encourage the DRCF to continue its workstreams on coordination and capacity building so that the UK's regulatory structure is prepared to both a growth in demand for services from businesses as well as increasing requests for action by Government.

International regulatory coordination

techUK's members would like to see the DRCF work to investigate and clarify how the UK and EU's AI regulation systems will interact, and how companies can meet their regulatory obligations under both as easily as possible.

techUK members expressed difficulty with matching regulatory terminology between multiple jurisdictions, and asked if the DRCF, in the vein of the previous question, would be able to work with its sister organisations internationally to ease international operations through providing guides to navigating other jurisdictions.

Providing guides to aligning UK regulatory compliance with the regulatory systems of other jurisdictions holds the potential to ease the cost of doing business, which will be an increasingly essential part of the DRCF's work going forward.

techUK members cited several examples of best practice at the roundtable hosted by techUK with the DRCF. The Financial Conduct Authority has been working with other organisations internationally on matters such as the Financial Stability Board and risk management. Given that supplier failure is a significant risk in other areas, carrying this work over into other areas would be worth pursuing.

Understanding and accessibility of UK regulation

The DRCF should consider further work to help businesses to understand and improve the accessibility of UK regulation. The Multi-agency regulatory advice service being pioneered by the DRCF is a clear case of good practice and we encourage further work in this area.

In discussions with members on regulatory issues over the past weeks it has become clear to us that businesses struggle to understand and access the wide range of regulations and regulators that affect them. For example there is no central map of all the UK's regulators and their responsibilities nor guidance on the key duties of regulators. A case in point is the Growth Duty. This is seen by Government as an important tool for informing the work of the

regulators but it is unclear what regulators have the growth duty attached to them, nor reporting or transparency on how that duty is being met.

The DRCF should consider working to assess understanding and accessibility gaps for businesses and recommend potential solutions. For example is there a case to be made for the National Audit Office to regularly review and set out the structure of the UK's broad regulatory system.

Digital ID

We noted during the roundtable we hosted between techUK members and the DRCF that Digital ID is a planned space of work next year for the DRCF. Digital ID and wider Age Verification currently spans the remit of 8 different regulators, creating regulatory ambiguity and confusion.

techUK and members support this work. With the global Digital ID market set to be valued at \$40.44 billion by 2027, it is vital that Digital ID can be deployed with confidence in the UK.

While some of this work lies with Government, it is important UK regulators are agree on the parity of acceptance of digital forms of proof of age or identity - which meet the UK DIATF (Digital Identity & Attributes Trust Framework) or age standards (PAS 1296:2018).

One example of a lack of alignment creating potential friction is that digital age verification, tools have been deployed in cinemas to restrict access to 15+ and 18+ films, but this is not aligned with Gambling Commission and alcohol-purchasing guidance.

This leaves Digital ID without security in the age verification sphere, and an alignment of guidance would iron out this potential issue. It is over 18 months since the Home Office ran trials of digital age verification for proof of age in retail settings, which proved that no minors were able to access age restricted goods, yet there has still not been a public consultation announced to change the Mandatory Licensing Conditions to allow digital age verification to be used.

Other regulators outside of the DRCF may also benefit from the work planned on Digital ID. Mersey Rail, the Post Office and Lloyds allow digital ID to be used as proof of age for age-appropriate discounts, but this is not ubiquitous across all UK travel and transport settings.

The Gambling Commission also does also not include Digital ID or Age Verification within its [18+ verification guidance](#), and the DRCF could use its Digital ID work findings to work with the Gambling Commission on including Digital ID.

As part of the research, techUK's members would like to see detailed research into the means to circumvent age assurance across all approaches (eg credit card, mobile phone checks, email verification.) This will enable regulators to consider what is proportionate to guard against fraud.

Harmonising rules on digital ID would work to allow these technologies to be adopted more easily and confidently, allowing the UK to take a key part of the global digital ID market. This would also ensure that UK regulators are confident about the size and the shape of the digital ID market as the Digital Markets, Competition and Consumers Bill is passed and implemented.

Stakeholder engagement

We believe that market participants, the companies falling within each sector, could play a greater role in supporting the DRCF objectives and focus should be given to developing engagement with this channel.

We would find great value in the DRCF providing more transparency or the workplan in progress, removing reliance on catching LinkedIn posts or adhoc indirect information sources. This could be achieved via an interactive calendar showing the status of active workstreams, upcoming activities /stages, relationship to the individual regulator, key contacts such as the lead within each regulator, when and how we as stakeholders can input and when outputs can be expected

This is especially important given the diversity of firms operating in digital markets. Ensuring smaller firms have clear and transparent opportunities to understand the work of the DRCF and regulators would provide the regulators with a more holistic view of the regulatory environment while helping firms plan and prioritise their work.

In this vein, the DRCF should also work to ensure constituent regulators are aligned in their approaches to stakeholder consultation to promote transparency and ease of engagement.

The DRCF should also promote a 'no surprises' approach with transparency by default. This would prevent regulatory surprises such as the CMA/ICO joint report on choice architecture, which some businesses felt did not assess the impact of the ICO's very narrow interpretation of data protection rules that are harming digital advertising revenues for businesses.

The DRCF and constituent regulators should work with trade associations to ensure businesses are kept up-to-date with opportunities for engagement and are not surprised by regulatory reports or decisions.

It is welcome the DRCDF is looking to publicise its upcoming work in its workplan. The DRCF should look to do this with all its projects and advertise them clearly, as DRCF projects, when they commence.

The DRCF should put in place frameworks to measure the economic impact of regulation, including costs to companies, and the extent to which it supports economic investment. Furthermore, annual surveys of stakeholders either by the DRCF or individual regulators should be considered.

The DRCF has continued to raise awareness of its own model and role, and techUK is glad to hear other countries are following the DRCF model as an example of best practice. However, members can still be confused as to the exact role of the DRCF, with many questions asked at the roundtable referring to issues not within the DRCF's remit or power. techUK recommends the DRCF continue to work with companies of all sizes to regularly publicise its activities and receive feedback.

For further information on techUK's submission please email archie.breare@techuk.org