

Additional background on the UK Government's and regulators recent developments relating to AI

The UK Government has been proactive in responding to the potential challenges and benefits associated with AI.- Publication of its National AI Strategy in September 2021 recognised the power of AI to “increase resilience, productivity, growth and innovation across the private and public sectors.” In late 2022 the AI Standards Hub was launched to provide access to a database of AI standards. In 2023 a white paper was published setting out plans to implement a pro-innovation approach to AI regulation. This was underpinned by five principles to guide and inform the responsible development and use of AI in all sectors of the economy. The five principles are:

- Safety, security and robustness
- Appropriate transparency and explainability
- Fairness
- Accountability and governance
- Contestability and redress

In February 2024 the UK Government published initial voluntary guidance for regulators to support the implementation of these five pro-innovation regulatory principles. Regulators including the Financial Conduct Authority (FCA), Ofcom and Competitions Market Authority have been requested to update on their strategic approach to AI by the end of April. In other developments, the Digital Regulation Cooperation Forum will shortly be launching an AI and Digital Hub pilot. The Financial Conduct Authority is also continuing to explore setting up an AI-specific sandbox. Both initiatives aim to support innovators to check regulatory requirements for emerging AI before it reaches the market in a bid to boost innovation in this area.

Alongside the potential benefits that AI can bring, there has also been an increased focus on the safety of AI. In November 2023 the UK Government hosted the first AI Safety Summit with 28 countries signing the Bletchley Declaration, agreeing that AI should be “designed, developed, deployed and used in a manner that is safe, human-centric, trustworthy and responsible.” The UK Government has also set up an AI Safety Institute, which will be tasked with testing the safety of emerging types of AI. The Bank of England has produced papers exploring the potential impact of AI to create financial stability risks.