

Rt Hon Michelle Donelan MP Secretary of State for Science, Innovation and Technology 100 Parliament Street London SW1A 2BQ

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Dear Colleague,

Publication of AI Regulation White Paper Consultation Response

Today, the Government is publishing its response to the consultation on the Artificial Intelligence (AI) regulation white paper: *A pro-innovation approach to AI regulation*.

The world is on the cusp of an extraordinary new era driven by advances in AI, which presents a once-in-a-generation opportunity for the British people to revolutionise our economy. The UK AI market is predicted to grow to over \$1 trillion (USD) by 2035 — unlocking everything from new skills and jobs to once unimaginable life saving treatments for cruel diseases like cancer and dementia. That is why I have made it my ambition for the UK to become the international standard bearer for the safe development and deployment of AI.

We have been working hard to make that ambition a reality, and our plan is working. Last year, we hosted the world's first AI Safety Summit, bringing industry, academia, and civil society together with 28 leading AI nations and the EU to agree the Bletchley Declaration, thereby establishing a shared understanding of the opportunities and risks posed by frontier AI. We were also the first government in the world to formally publish our assessment of the capabilities and risks presented by advanced AI; and to bring together a powerful consortium of experts into our AI Safety Institute, committed to advancing AI safety in the public interest.

With the publication of our AI regulation white paper in March, we set out our initial steps to develop a pro-innovation AI regulatory framework. Instead of designing a complex new regulatory system from scratch, the white paper proposed five key principles for existing UK regulators to follow and a central function to ensure the regime is coherent and streamlined and to identify regulatory gaps. This pragmatic approach was endorsed by the companies at the frontier of AI, Britain's budding AI start-up scene, and many leading voices in civil society and academia – including Professor Mary Ryan, who labelled the establishment of the AI Safety Institute an 'important step in our understanding of AI'; Professor Yoshua Bengio, who commended how the first edition of the International Scientific Report on Advanced AI Safety will build on the 'legacy of November's summit at Bletchley Park'; and Dr Jess Whittlestone, who praised the UK's approach for 'balancing innovation and risk mitigation' while ensuring international leadership.

Delivering a proportionate, context-based approach to Al regulation

Since we published the white paper, we have moved quickly to implement the regulatory framework. We have established central risk assessment and monitoring activities, announced the <u>Al and Digital Hub</u> pilot scheme to help companies get to grips with Al regulations, and worked closely with regulators, many of whom have already taken steps in line with our framework.

Today, our consultation response sets out our next steps in delivering the regulatory framework, including how we are building the right institutions and expertise:

- We will support AI regulation and innovation with over £100 million of funding. This package includes £10 million to jumpstart regulator capabilities, a £9 million partnership with the US on responsible AI research, £80 million to launch nine new research hubs, and several other UK Research & Innovation (UKRI) initiatives. These research hubs are based in locations across the country and will enable AI to evolve and tackle complex problems across applications, from healthcare treatments to power-efficient electronics.
- We will formalise our regulator coordination activities by establishing a steering committee with government representatives and key regulators.
- We will conduct targeted consultations on our cross-sectoral risk register and monitoring and evaluation framework from spring to ensure our approach is evidencebased and effective.

Furthermore, to improve transparency, we call on regulators to publicly set out their approaches to AI in their domains by April 2024 to increase industry confidence and ensure the UK public can see how we are addressing the potential risks and benefits of AI across the economy.

Alongside our work with regulators, we are also strengthening the team working on AI within the Department of Science, Innovation and Technology across the newly established AI Policy Directorate and the AI Safety Institute. In recognition of the fact that AI has become central to the wider work of DSIT and government, we will no longer maintain the branding of a separate "Office for AI". Similarly, the Centre for Data Ethics and Innovation (CDEI) is changing its name to the Responsible Technology Adoption Unit to more accurately reflect its mission.

Adapting to the challenges posed by highly capable general-purpose Al models

The challenges posed by AI technologies will ultimately require legislative action across jurisdictions, once understanding of risk has matured. However, legislating too soon could stifle innovation, place undue burdens on businesses, and shackle us from being able to fully realise the enormous benefits AI technologies can bring. Furthermore, our principles-based approach has the benefit of being agile and adaptable, allowing us to keep pace with this fast-moving technology.

We established the AI Safety Institute (AISI) at pace to conduct safety evaluations on advanced AI systems, drive foundational safety research, and lead a global coalition of AI safety initiatives. These insights will ensure the UK responds effectively and proportionately to potential frontier risks.

In the consultation response, we build on this work by setting out our early thinking on future targeted, binding requirements on the developers of highly capable general-purpose Al systems. The consultation response also sets out the key questions and considerations we will be exploring with experts and international partners as we continue to develop our approach to the regulation of the most advanced Al systems.

A clear international strategy to promote effective Al governance

Building on the historic agreements reached at the Al Safety Summit, today we also set out our broader plans regarding how the UK will continue to drive the global debate on the governance of Al.

Beyond our work through the Al Safety Institute, this includes taking a leading role in multilateral Al initiatives such as the G7, OECD, and the UN, and deepening bilateral relationships building on the success of agreements with the US, Japan, Republic of Korea, and Singapore.

Intellectual property and Al

All sectors are learning to adapt to embrace the benefits of AI as well as grapple with its disruptive impact. This is particularly true when thinking about AI and intellectual property. The AI technology and creative sectors, as well as our media, are strongest when they work together in partnership, and we are committed to supporting them. The Intellectual Property Office's working group on the interaction between copyright and AI has provided a valuable forum, but unfortunately, it is now clear that the working group will not be able to agree an effective voluntary code.

Together with the DCMS Secretary of State, we will now jointly lead a period of engagement with the AI and rights holder sectors, seeking to deliver an approach that benefits both sides. Taking this forward as a joint enterprise across both departments will ensure that we get this balance right. Our approach will need to be underpinned by trust and transparency between parties, with greater transparency from AI developers in relation to data inputs and the attribution of outputs having an important role to play. We will soon set out further proposals on the way forward.

Next steps

This consultation response represents another step forward for the UK's ambitions to lead in the safe development and deployment of AI. The full text of the white paper consultation response can be found here.

We will be organising an all MPs and Peers briefing session in the coming weeks to discuss our approach to AI regulation in more detail and will provide further details shortly.

Yours sincerely,

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