

Horizon Scanner - Online Regulation

REGULATING THE FINAL FRONTIER

ONLINE SAFETY BILL (UK)

Tackling illegal and harmful content and protecting online users, including from other users. Aims to place statutory duties of care on online platforms and search engines to protect children (and in some cases adults)



20
23



DIGITAL MARKETS ACT (EU)

Banning 'unfair business practices' by large platforms that act as gatekeepers

DIGITAL MARKETS, COMPETITION & CONSUMER REFORM (UK)

Proposals on wide ranging reforms to consumer and competition laws (like EU Omnibus Directive) to increase consumer protection. Still very early days



20
24



DIGITAL SERVICES ACT (EU)

A new framework of obligations applied to all digital services that connect consumers to goods, services or content. Updating rules on illegal content, transparent advertising and disinformation

AI REGULATION (UK)

UK government aims to enhance confidence and certainty for businesses and consumers when it comes to the quickly evolving area of AI technology



20
25



DIGITAL ASSET PROTECTION (UK)

Law Commission seeks reforms to better protect ownership of digital assets. It recommends a new category of personal property

Digital Markets Act (EU)



WHAT IS IT?

EU legislation banning various 'unfair business practices' and placing obligations on core large digital platforms ("gatekeepers")



KEY FACTS



- ▶ It imposes extensive and strict obligations on gatekeepers. These include prohibitions on tying and most favoured nation clauses, and obligations regarding interoperability. Gatekeepers must also allow pre-installed software to be uninstalled and default settings to be changed
- ▶ For non-compliance, there are fines of up to 10% of the company's total worldwide annual turnover, or up to 20% if there are repeated infringements

KEY DATES



May 2023

Some provisions start to take effect

March 2024

Gatekeepers will have to comply with obligations from this time

FIND OUT MORE



- ▶ [A Guide to the Digital Markets Act – what does it do?](#)

TRAINING & EVENTS



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WHICH BUSINESSES DOES IT AFFECT?

Online intermediation services, search engines, video-sharing platforms, web browsers, operating systems, online advertising services and digital assistants depending on size and reach in the EU



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[Mary Traynor](#)



Online Safety Bill (UK)



WHAT IS IT?



Aims to hold social media platforms and search engines to account if they do not deal adequately with illegal and otherwise 'harmful' content

KEY FACTS



- ▶ It imposes a duty of care on some companies to prevent the proliferation of illegal content and activity online, and to protect users against content that is illegal or breaches the platform's terms of use
- ▶ Affected companies will need to put in place systems and processes to improve user safety
- ▶ Ofcom will regulate and enforce the new regime. It can issue GDPR-style fines of up to £18 million or 10% of global annual turnover (whichever is higher)

KEY DATES



2023/2024

TBC but expected to come into force in late 2023 or early 2024

FIND OUT MORE



- ▶ [Online Safety Bill introduced in Parliament](#)
- ▶ [Harmful ads and scams to be included in Online Safety Bill](#)
- ▶ [UK Online Safety Bill a missed opportunity MPs claim](#)
- ▶ [I've heard lots of noise about the Online Safety Bill but is it relevant to sport](#)
- ▶ [What is your view on the Online Safety Bill](#)
- ▶ [Online Safety Bill: do no harm?](#)

TRAINING & EVENTS



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WHICH BUSINESSES DOES IT AFFECT?



Social media platforms and search engines

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Digital markets, competition & consumer reform (UK)



WHAT IS IT?



Proposed legislation to make wide-ranging reforms to UK consumer protection and competition law, and give CMA greater enforcement powers

KEY FACTS



- ▶ New rules to tackle a range of issues that are generally considered harmful consumers, including subscription traps, fake reviews, auto-renewals and prepayment schemes
- ▶ The CMA may be given powers to enforce certain consumer protection legislation directly, enabling the CMA to award compensation to consumers and impose financial penalties for breach of consumer protection laws, without the need to go to court

KEY DATES



May 2023

Bill will be introduced in Parliament

TBC

More details on implementation dates expected soon

FIND OUT MORE



- ▶ [Fake reviews and subscription traps: CMA to be given new powers to issue hefty penalties](#)

TRAINING AND EVENTS



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WHICH BUSINESSES DOES IT AFFECT?



All businesses trading with consumers, and larger platforms that are to be regulated by the CMA's new Digital Markets Unit

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Digital Services Act (EU)



WHAT IS IT?

It creates a uniform framework for digital services across the EU



KEY FACTS



- ▶ It sets out new rules to govern e-commerce, and to tackle illegal online content, hidden advertising and disinformation at an EU level
- ▶ It aims to protect day to day internet users by improving content moderation and taking reduce the extensive immunity currently given to online intermediaries
- ▶ Obligations will be most stringent for organisations with more than 45 million users in the EU, with very substantial fines for non-compliance

KEY DATES



May 2023

Some provisions start to take effect

March 2024

Gatekeepers will have to comply with obligations from this time

FIND OUT MORE



- ▶ [Digital Services Act \(DSA\) gets the green light – is your business ready for this ambitious new framework?](#)
- ▶ [Another blow for Big Tech as political agreement is reached in record time](#)
- ▶ [EU plans changes to e-commerce and competition law](#)

TRAINING AND EVENTS



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WHICH BUSINESSES DOES IT AFFECT?

Internet access providers, cloud and hosting services, online marketplaces, app stores and social media platforms if they operate in the EU and there is a “substantial connection” to the EU



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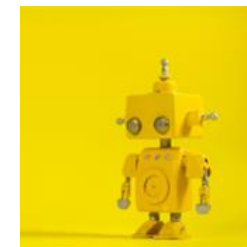
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AI Regulation (EU)



WHAT IS IT?

Harmonised rules for the development, placement on the market and use of AI systems in the EU



KEY FACTS



- ▶ Any new products coming onto the EU market will need to undergo conformity assessments and for certain higher risk AI systems, an independent notified body will also have to be involved
- ▶ New rules will follow a risk-based approach based on levels of risk: **unacceptable**, **high**, **limited** and **minimal**, and include special rules for biometrics
- ▶ Fines will apply for certain breaches, ranging up to 30m EUR or (if higher) 6% of worldwide annual turnover

KEY DATES



2024

More details on implementation dates expected soon

FIND OUT MORE



- ▶ [Hey computer, I said make me laugh not cry – these new AI laws are no joke!](#)
- ▶ [Does the use of AI face more FCA regulation?](#)
- ▶ [Commercial: what to expect in 2023](#)

TRAINING AND EVENTS



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WHICH BUSINESSES DOES IT AFFECT?

All businesses trading in the EU, especially those using high risk AI. Businesses will need to identify what sort of AI they are using and take action based on the relevant risk profile



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[JJ Shaw](#)



AI Regulation (UK)



WHAT IS IT?



The UK government has outlined its approach to regulating AI. It says that its "ambition is to support responsible innovation in AI"

KEY FACTS



- ▶ UK government's approach is expected to be 'light touch'
- ▶ Approach will be 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. These build on the OECD Principles on AI
- ▶ A White Paper is planned in 2023, when further information about the UK's approach will be available

KEY DATES



2023
White Paper
expected

FIND OUT MORE



- ▶ [UK government calls for evidence on "light touch" approach to regulating AI](#)
- ▶ [AI 101: How do AI tools work and why are lawsuits being raised?](#)

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WHICH BUSINESSES DOES IT AFFECT?



Any businesses developing and using AI

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Digital Asset Protection (UK)



WHAT IS IT?

The Law Commission has consulted on proposals for new laws relating to digital assets, including crypto assets and NFTs



KEY FACTS



- ▶ The key proposal is the explicit recognition of a “third category” of personal property
- ▶ This new category of personal property would be different from the two current categories of things in possession (an item you own) and things in action (such as contractual rights)

KEY DATES



November 2022
Initial consultation ended
TBC
Further developments to be announced

WHICH BUSINESSES DOES IT AFFECT?

Any businesses using digital assets



FIND OUT MORE



- ▶ [Law Commission consults on new laws on digital assets](#)

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