



Department for
Science, Innovation
& Technology

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100 Parliament Street
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Greg Clark, MP
Chair, Science, Innovation and Technology Committee
House of Commons
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24th November 2023

Dear Greg,

Governance of artificial intelligence

Thank you for your letter and the work of the Science, Innovation and Technology Committee on AI governance, including the Committee's recent interim report.

The AI Safety Summit was a landmark moment. The UK brought together a globally representative group of world leaders, digital ministers, businesses, academia and civil society for crucial talks to explore and build consensus on collective international action to ensure safety at the frontier of AI. The Bletchley Declaration that we agreed was a vital step towards establishing a global consensus on the opportunities and risks of AI, and the need for collaborative action on frontier AI safety.

These important steps forward on the global stage must be underpinned by a clear domestic plan. We will soon be publishing our response to the AI Regulation White Paper, setting out how we are driving forward responsible, safe AI innovation.

Addressing the specific requests in your letter:

1. Copies of the presentations given by the AI Safety Institute at the beginning of each of the roundtable discussions on Day 1 and Day 2 of the AI Safety Summit at Bletchley Park.

We are working to establish a process for sharing the presentations with trusted partners, including the Committee as a top priority. In the meantime, researchers from the AI Safety Institute would welcome the opportunity to deliver the presentations to the Committee in a closed meeting – in line with agreements regarding the use of proprietary information. Copies



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of the presentations cannot be made public at present as they contain some sensitive findings that follow from UK Government analysis.

2. Details of the assessment undertaken by the Government as to the adequacy of the existing powers and capacity of the following organisations (CMA, Ofcom, FCA, MHRA) to respond to the growing use of AI in their respective regulatory remits:

Earlier this year, the Government set out a pro-innovation regulatory framework to drive responsible, safe AI. In the white paper, we noted that some of the UK's expert regulators had already started to lead the way by adapting their approaches to AI-enabled technologies.¹ The white paper also outlined 5 cross-sectoral principles for existing regulators to interpret and apply within their remits. Regulators are taking important steps in line with our approach and we outline examples of this below. The Digital Regulation Cooperation Forum (DRCF) also recently announced the DRCF AI and Digital Hub²³

Regulators and their sponsor department hold the primary responsibility for ensuring they are equipped with the right powers and skills to respond to AI risks and opportunities. However, in line with our proposals in the AI Regulation White Paper, DSIT has also been working with key regulators for AI, other government departments, and wider stakeholders, to understand regulators' levels of readiness. This is an ongoing process, but we set out below our key findings as well as the steps we are taking to further support regulators.

Competition and Markets Authority

Our current assessment is that the CMA's existing powers, together with new powers being brought in, provide a wide range of tools to address current and emerging risks relating to AI within their remit. New powers in the Digital Markets, Competition and Consumers (DMCC) Bill will allow the CMA to observe and conduct tests on designated firms' systems to understand the effects of a firms' algorithms on competition and consumers.

The CMA has already begun to take proactive steps to adopt the AI principles and build its capabilities to regulate AI within its remit. On 18 September 2023 the CMA published an initial report on the AI foundation models market.⁴ The report proposes a set of principles which aim to ensure consumer protection and healthy competition are at the heart of the responsible development and use of foundation models and is in line with the AI regulatory framework.

The CMA has a range of skills which enable it to work effectively on AI within its remit. For example, the CMA's Data, Technology and Analytics (DaTA) unit, established in 2019, has led the way in a technology-led transformation at the CMA. In collaboration with the CMA's Digital Markets Unit, it is leading thinking on the regulation of AI products and services. The

¹ [Software and AI as a Medical Device Change Programme – Roadmap](#), MHRA, updated 2023 [2022]; [Explaining decisions made with Artificial Intelligence](#), ICO and the Alan Turing Institute, updated 2021.

³ <https://www.gov.uk/government/news/new-advisory-service-to-help-businesses-launch-ai-and-digital-innovations>

⁴ [AI Foundation Models: Initial report - GOV.UK \(www.gov.uk\)](#)



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CMA also has a Digital Experts Panel. This panel of nine experts are appointed in an advisory capacity and bring independent insight and practical experience and support the CMA's work in digital markets.

Financial Conduct Authority (FCA)

The FCA is an independent non-governmental body responsible for regulating and supervising the financial services industry. Although the Treasury sets the legal framework for the regulation of financial services, the regulators are responsible for developing and implementing rules, including those relating to AI, and determining appropriate levels of resourcing.

The FCA works closely with the government and the Bank of England to monitor and respond to emerging issues that affect the financial services sector, including artificial intelligence. The FCA has already begun to take steps to adopt the AI principles and build its capacity to address risks from AI within its remit. This includes launching the AI Public Private Forum (AIPPF) and publishing the Discussion Paper 'Artificial Intelligence and Machine Learning' alongside the Bank of England to further the regulators' understanding and deepen the dialogue between industry and regulators as to how AI may affect their respective objectives for the prudential and conduct supervision of financial firms. The FCA is starting to make use of AI technology to increase efficiency within its own operations. For example, the Perimeter Teams make use of natural language processing, entity resolution and data visualisation techniques as a way to automatically triage high volumes of cases.

The National Audit Office is conducting a study into how the FCA is working with others, particularly HM Treasury, to take action to address challenges and take advantage of opportunities posed by recent trends. This will include changes to the regulatory framework, but also technological advancements including cryptoassets and artificial intelligence.

Information Commissioner's Office

The ICO's existing powers enable them to address a wide range of current and emerging risks relating to AI within their remit. The ICO has assessed how data protection applies in an AI context. They have identified it as a priority area, due to its potential to pose a high risk to individuals and their rights and freedoms. The ICO has already produced guidance, and practical resources, including guidance on 'AI and Data Protection', clarifying requirements for fairness in AI.⁵ In addition the ICO has authored Opinions on the use of AI in high profile areas (including where it is used on services likely to be accessed by children and in live facial recognition technology). They have also contributed to various reports, including working with the Alan Turing Institute, and regulatory sandboxes to explore the safe use of AI. Their current areas of focus include fairness in AI; dark patterns; AI-as-a-service; AI and recommender systems; biometric data and biometric technologies; and privacy and confidentiality in explainable AI.

⁵ <https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/artificial-intelligence/guidance-on-ai-and-data-protection/how-do-we-ensure-fairness-in-ai/>



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In addition to its membership in the Digital Regulation Cooperation Forum, the ICO is working with other UK regulators on AI, including an informal regulator working group and membership of the Permanent WG at the Global Privacy Assembly tasked with promoting the principles of the GPA's Declaration on Ethics and Data Protection in AI.

The ICO has also taken steps to build its capabilities to regulate AI within its remit, such as by creating a specialised team focusing on AI harms such as model inversion attacks and the changing of personal characteristics through machine learning.

The ICO will continue to have an important role to play in the future regulation of AI. They are committed to increasing public trust in the use of AI to ensure safe adoption across relevant sectors.

Medicines and Healthcare products Regulatory Agency

The MHRA has been proactive in addressing the current and emerging risks relating to AI within their remit. The MHRA has sufficient enforcement powers to withdraw products from the market and prosecute manufacturers or distributors where they have failed to comply with regulations - including manufacturers of AI medical devices. In September 2021, they announced the 'Software and AI as a Medical Device Change Programme', a programme of work to ensure regulatory requirements for software and AI are clear and patients are protected. The Change Programme will deliver steps to provide a regulatory framework that provides a high degree of protection for patients and the public, but also makes sure that the UK is recognised globally as a home of responsible innovation for medical device software looking towards a global market. This programme builds upon wider reforms for medical devices.

The MHRA has developed an extensive work programme to inform regulatory changes including key reforms across the software as a medical device lifecycle, from qualification to classification, to requirements that apply pre- and post-market. This programme will consider challenges and opportunities posed by AI as a medical device, ensuring these devices are appropriately evidenced and address issues of human interpretability and adaptivity.

The MHRA has a dedicated team responsible for the regulation of "Software as a medical device", with in-house expertise in "AI as a medical device". This team is fully engaged in the current work to revise and reform the Medical Devices Regulations 2002 and has published a Software and AI as a Medical Device Change Programme, which is being delivered incrementally.⁶

The NHS AI Lab is working proactively with regulators on a number of initiatives to ensure AI is deployed safely in healthcare and to streamline processes to enable innovation.

⁶ <https://www.gov.uk/government/publications/software-and-ai-as-a-medical-device-change-programme>



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Ofcom

Our current assessment is that Ofcom's existing powers, together with new powers being brought in through the Online Safety Act 2023, will enable them to address a significant proportion of the risks relating to AI within their remit. The Online Safety Act 2023, passed recently, treats AI-generated content in much the same way as it does other content on the services it regulates. The government is actively considering how generative AI, and related services, may impact Ofcom's functions under the Act. Ofcom will oversee and support regulated services adherence to their duties under the Act, through guidance and codes of practice. They will also be able to recommend services use AI to comply with their duties and have new information-gathering powers to request information about AI on the services they regulate. The Online Safety Act also gives Ofcom new information-gathering powers that will enable them to request information from regulated services about their use of AI. This could include their performance, and how they are deployed and governed.

Ofcom has already begun to take proactive steps to adopt the AI principles and build its capabilities to regulate AI within its remit. It is recruiting experts with relevant skills, building strategic partnerships with academic institutions, and working to increase knowledge and understanding of AI across the organisation. Ofcom is also monitoring developments with generative AI, and has technical, research, and policy teams undertaking research on the development and use of generative AI models across the communications sectors that Ofcom regulates.⁷ This work on AI assessments is supported by their collaboration with DRCF partners and a multi-year programme of work on these topics.

Ofcom has done significant work to understand the risks and opportunities of AI in online safety. More recently, they have begun to examine how services can address the harms associated with gen AI and are exploring mitigations. The outcomes of their research will inform the development of their Guidance and Codes of Practice. Ofcom have also sought to understand users' adoption and attitudes towards gen AI, recently publishing a YouGov survey on how UK internet users are interacting with popular gen AI models and how it could impact society.

3. What assessment has been undertaken by the Government as to the adequacy of the existing powers and capacity of the Electoral Commission to respond to the use, and potential misuse, of AI in election campaigns.

The Electoral Commission is the independent body which oversees elections and regulates political finance in the UK. It plays a key role in maintaining confidence in the integrity of our elections. Its various duties are set out in statute which include ensuring that elections are run effectively and in accordance with the law; registering political parties; regulating the spending of, and donations and loans to, political parties and recognised third party campaigners, and providing guidance on these matters.

⁷ <https://www.ofcom.org.uk/news-centre/2023/what-generative-ai-means-for-communications-sector>



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The recently introduced Digital Imprints regime will increase the transparency of digital political advertising (including AI-generated material), by requiring those promoting eligible digital campaigning material targeted at the UK electorate to include an imprint with their name and address, empowering voters to know who is promoting political material online and on whose behalf. Alongside the police and courts, the Electoral Commission is responsible for enforcing the rules of the new Digital Imprints regime.

The Electoral Commission is also responsible for promoting public awareness of current and pending electoral systems in the UK. For example, the Commission has information on their website to help inform voters about how they can vote, in addition to information about online political ads⁸ which encourages voters to think critically about the claims they see online.

Beyond this, the Government is taking steps to promote trusted news sources to tackle the spread of disinformation and combat attempts to artificially manipulate the information environment. As well as, through the Online Safety Act, ensuring social media platforms have the right systems in place to identify and remove harmful material, including deepfakes, which breach their terms of service.

The Government is committed to strengthening the integrity of elections, so our democracy remains secure, modern, transparent and fair. The Elections Act 2022 is evidence of this and has prioritised critical reforms in key areas including the revised offence of undue influence. The revised offence will better protect voters from improper influences to vote in a particular way, or to not vote at all and includes activities which deceive a person in relation to the administration of an election (such as the date of an electoral event or the location of a polling station). In addition, the National Security Act 2023 has also implemented measures to prevent foreign interference in elections (which would be relevant in relation to hostile foreign actors seeking to misuse AI). The Online Safety Act will capture AI generated content aimed at disrupting elections, where it is a criminal offence in scope of the regulatory framework. In addition, existing legislation already makes it an illegal practice to make or publish false statements about the personal character or conduct of an election candidate for the purpose of affecting the electoral success of the candidate.

More broadly, we have established a Defending Democracy Taskforce to work across government and with Parliament, the UK's intelligence community, the devolved administrations, local authorities, the private sector, and civil society on the full range of threats facing our democratic institutions. The possibility of disruption to the elections was also subject of discussion at the AI Safety Summit, where I chaired a roundtable which examined the impact of frontier AI on disinformation and the risks posed to election integrity. This discussion focused on how international and industry collaboration can drive action to tackle those risks.

Driving coherence and coordination across the regulatory ecosystem

We will continue to keep regulators' powers and capabilities under review to ensure they are well equipped to respond to the risks and opportunities presented by AI. Alongside this, we are taking steps to establish a central supporting function as set out through the White Paper.

⁸ <https://www.electoralcommission.org.uk/i-am-a/voter/online-campaigning>



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This will support regulators as they build their own capabilities and expertise, for example, through the provision of guidance, supporting knowledge exchange and encouraging cooperation.

We thank you for the continued productive engagement of the Committee on these critical issues and look forward to further engagement with the Committee as we publish our response to the White Paper.

Yours sincerely,

Rt Hon Michelle Donelan MP

Secretary of State for Science, Innovation and Technology