

# International Regulatory Cooperation Strategy



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### **Ministerial foreword**

As the pandemic has shown, our world is more interconnected than ever before. We face a myriad of global challenges and opportunities, from operating in space and tackling climate change to harnessing cyber and artificial intelligence as forces for good. Their scale, speed and complexity are disrupting the way we live.

These challenges cannot be addressed in isolation. They require effective regulation – through international collaboration – to ensure they allow businesses and innovation to thrive, while protecting consumers, the environment and our democratic values.

International cooperation is key to enhancing the quality and impact of our domestic regulation. Governments need to work together to avoid creating new regulatory barriers to scaling innovation across boundaries and ensure that citizens are not unnecessarily denied access to global goods, products and services.

It is timely that the UK reviews, and seeks to improve, how international regulatory cooperation (IRC) is conducted. Having exited the European Union, we must seize new opportunities of our newfound regulatory freedom by setting high standards at home and globally. We need to make sure that our regulatory system is set up in the right way for future changes, ensuring that government departments, devolved administrations and regulators are working internationally to improve our domestic regulation and, ultimately, bring prosperity and opportunity to all corners of the UK.

Regulation is at the forefront of the government's agenda. The Integrated Review set out how the UK will lead on the global regulation of technology, cyber, digital and data. The Innovation Strategy committed to consult on how regulation can ensure the UK is well-placed to extract the best value from innovation. The consultation on "Reforming the Framework for Better Regulation" presented the UK government's regulatory reform approach to Build Back Better. And, two years on from leaving the EU, the government set out in the "Benefits of Brexit" paper how it will use our new found freedoms for the UK to become the best regulated economy in the world.

Following the OECD's review into the UK's IRC practices, the UK government committed to publishing a whole-of-government IRC strategy and issued a call for evidence to regulators, standards bodies, industry and businesses to inform its development.

Recognising the need for government to leverage its domestic regulatory advantages to champion innovation and take a lead in tackling global challenges, this strategy sets out how we will bring about better coordination to IRC initiatives across government, build capability among IRC practitioners and continue to spearhead IRC initiatives globally to realise the full potential of Global Britain.

#### Lord Callanan, Minister for Business, Energy and Corporate Responsibility

### **Executive summary**

The UK's international regulatory cooperation (IRC) strategy outlines the steps the government is taking to increase collaboration and learning with international partners to improve our domestic regulation, ensuring that it facilitates trade and investment, is innovation friendly and fit for the future while protecting consumers and the environment.

We are delivering our IRC objectives in three main areas:

- Better coordination. This strategy sets out a whole-of-government vision for undertaking IRC that outlines the roles, responsibilities and levers of UK government and other domestic actors engaged in IRC to make our efforts greater than the sum of their parts.
- Building capability. We have developed an IRC toolkit to increase awareness and understanding of IRC across government and promote better consideration of IRC in the practical application of policymaking. We will look to update existing regulatory guidance to incorporate the OECD's best practice principles <sup>1</sup> on IRC throughout the regulatory lifecycle.
- **Global collaboration.** The UK is recognised as a leader in good regulatory practices. We engage in IRC initiatives across government, taking a leading role in championing innovation through regulation. We will continue to spearhead global efforts and demonstrate thought leadership in shaping how regulation is developed internationally for the benefit of citizens and the environment.

This document is published alongside the IRC toolkit, the IRC call for evidence summary and the Impacts of IRC initiatives report.

<sup>&</sup>lt;sup>1</sup> OECD (2021), International Regulatory Co-operation, OECD Best Practice Principles for Regulatory Policy, OECD Publishing, Paris, <u>https://doi.org/10.1787/5b28b589-en</u>.

# Seizing the opportunities of Global Britain to enhance our domestic regulation

The UK has taken back control of the way in which we regulate following our exit from the European Union. We want to seize the opportunity this freedom presents to set our own best-in-class regulatory regime that is agile and nimble, responsive to emerging technologies and boosts innovation and enterprise to bring the benefits of leaving the EU to all parts of the UK.

We will review our approach to regulations inherited from our time in the EU, and change this where it is in the best interests of the UK and our industries. We will approach the regulation of emerging sectors with a fresh perspective and tailor our approach to the needs of the UK economy. And we will set high regulatory standards at home and abroad by engaging robustly in regulatory diplomacy across the world. The UK will lead in multilateral settings, influence the decisions of others and help to solve problems that require a global approach.<sup>2</sup>

IRC with likeminded bilateral partners and forward-thinking multilateral organisations will be critical to the UK government's vision for extracting the benefits from new and emerging technologies. These technologies, including those in the seven technology families of UK strength and opportunity, must be harnessed in a way that safeguards consumers, upholds the UK's democratic values and protects our environment. <sup>3</sup> The UK will continue to champion innovation and research-friendly global regulation with a wide range of partners through bilateral relationships and global regulatory fora.

"We will be at the forefront of global regulation on technology, cyber, digital and data – to protect our own and fellow democracies and so bolster the UK's status as a global service, digital and data hub, maximizing the commercial and employment opportunities for the British people" – <u>Global Britain in a Competitive Age: the Integrated Review of Security, Defence, Development and Foreign Policy</u>.

### Leading through innovation

The 2019 white paper on <u>Regulation for the Fourth Industrial Revolution</u> set out how the UK government planned to transform its regulatory system to support innovation while protecting its citizens and the environment. Today, innovation sits at the heart of our efforts to build back better from the COVID-19 pandemic and level up all corners of the UK. Our regulatory framework needs to foster an environment that provides business with the certainty to reduce

<sup>&</sup>lt;sup>2</sup> See how the UK is capitalising on the benefits of Brexit.

<sup>&</sup>lt;sup>3</sup> The <u>UK Innovation Strategy</u> outlines the seven technology families of UK strength and opportunity: Advanced Materials and Manufacturing; AI, Digital and Advanced Computing; Bioinformatics and Genomics; Engineering Biology; Electronics, Photonics and Quantum; Energy and Environment Technologies; Robotics and Smart Machines.

investment risk and attract talent to scale up business. Alongside this, it must also create consumer confidence in new products and services, and enable the rapid, but safe, adoption of new and potentially disruptive technologies.

The 2021 <u>UK Innovation Strategy</u> set out how the UK will build on its world-leading strengths across its regulatory framework to remain in-step with the increasing pace of innovation and change. Critical to this is the UK's ability to cooperate with international stakeholders on the most complex and fast-moving technologies that transcend national boundaries.

"Innovation is international: Without international cooperation and collaboration, the rapid development of COVID-19 vaccines would not have been possible. For example, the UK leveraged the strong science relationship it has built with countries like Brazil in recent years to facilitate overseas trials of the Oxford/AstraZeneca vaccine, which enabled the efficacy of the vaccine to be quickly and confidently assessed" – <u>UK Innovation Strategy:</u> leading the future by creating it.

### Shaping markets, sectors and industries of the future

The UK has interests in a number of key markets, sectors and industries, particularly in areas of new and emerging technologies that are going to shape the future of our economy, society and environment. Due to their global nature, IRC will be central to creating a regulatory environment that allows these technologies to flourish while ensuring the protection of our citizens and society.

The UK government has published the strategies below which outline commitments to collaborate with international stakeholders on the development of regulation and standards. The IRC strategy will help to provide policymakers and regulators greater expertise and coherence to set the standards and regulatory frameworks for new innovations, including in, but not limited to, these areas.

(Note: the below are published strategies and not a reflection of the government's priorities).

### Artificial intelligence

The UK will continue to work with our global partners multilaterally to shape the international norms and standards related to artificial intelligence. The <u>National Al Strategy</u> sets out the government's vision for a global ecosystem that promotes innovation and responsible development and use of technology, underpinned by our shared values of freedom, fairness, and democracy. Later this year, the government will publish a White Paper setting out our approach to governing Al.

### Cyber

The <u>National Cyber Strategy 2022</u> sets out the government's approach to protecting and promoting the UK's interests in cyberspace. The UK will invest in R&D activity and strategic

partnerships to develop the UK's domestic capabilities in technologies most critical to our cyber power interests. Where we rely on global markets, we will work with industry, regulators and international partners to encourage trustworthy and diverse supply chains, and shape standards to ensure technologies are open and secure.

### Digital and Data

The <u>UK National Data Strategy</u> aims to drive the UK in building a world-leading data economy while ensuring public trust in data use. To support an accessible and interoperable international data ecosystem, the government will promote domestic best practice and work with international partners to ensure data is not inappropriately constrained by national borders and fragmented regulatory regimes so that it can be used to its full potential. Through international regulatory cooperation on data protection we aim to reduce risk to UK businesses, build trust in and increase the stability of cross border data flows, and influence other countries' data policies to reflect UK interests.

The <u>Plan for Digital Regulation</u> lays out the government's vision for digital regulation and commits to identifying opportunities and addressing challenges in the international arena given the global nature of digital issues. It brings together all the work we are doing across the government in digital regulation under a single coherent vision.

### Exports

The UK wants to seize the export opportunity of an independent trade policy by negotiating UK trade agreements and making exporting easier for UK business. Through the <u>Export strategy:</u> <u>Made in the UK, Sold to the World</u>, the government wants to ensure that our approach to regulation supports trade. It will seek to promote further regulatory cooperation internationally, and between Commonwealth members and other close trading partners.

### Fusion

<u>Towards fusion energy: the UK fusion strategy</u> is government's strategy on leading the global commercialisation of fusion energy. Through international leadership, the UK will lead the development of international fusion standards and regulation, to ensure safety and maximise the global potential of fusion whilst creating important market opportunities for the UK.

### Hydrogen

The UK will continue to work with key global partners to develop our respective hydrogen economies and establish a global hydrogen market. The <u>UK hydrogen strategy</u> highlights the opportunities to develop common regulatory approaches and other policies where appropriate – including by pooling insights on policy development and the feasibility of new use cases.

### Life Sciences

The <u>Life Sciences Vision</u> sets out how the UK will continue to expand partnerships with other countries and encourage cooperation through the promotion of internationally agreed standards to reduce barriers to trade and encourage regulatory cohesion in Life Sciences.

### Net Zero and low carbon sectors

The UK was the first major economy to embrace a legal obligation to achieve net zero carbon emissions by 2050. government's <u>Net Zero Strategy</u> paves the way to lead the world in ending our contribution to climate change, while turning this mission into the greatest opportunity for jobs and prosperity for our country since the industrial revolution. A huge amount of our regulatory, policy and industry effort across our economy will be needed to build back greener, and international cooperation will play an important role in achieving net zero.

### Space

As part of our approach to international collaboration outlined in the <u>National space strategy</u>, the UK will work with partners and allies, and in fora such as the United Nations, to modernise the international guidelines governing our peaceful use of space, in line with UK values. This will ensure they support UK space activities, keep pace with new technologies, ensure a sustainable space environment is maintained and support UK science and industry.

"We will continue to work together with industry and internationally to ensure the UK has the safest and most effective regulation of space activities. We will continually improve safety standards, implement relevant consents, and mitigate the negative environmental impacts of our space activities" – <u>National Space Strategy</u>

# The case for IRC

### What is IRC?

Until now, policymakers and regulators have lacked a commonly recognised and agreed definition of international regulatory cooperation across government. To provide clarity and ensure that all government departments have the same understanding of IRC, we have adopted the OECD's definition of international regulatory cooperation.

#### Defining international regulatory cooperation

International regulatory cooperation refers to any agreement or organisational arrangement, formal or informal, between countries to promote some form of cooperation in the design, monitoring, enforcement, or ex-post management of regulation. <sup>4</sup>

IRC is about considering the implications of domestic regulations beyond national borders and the impact of international regulation on our domestic environment. In practical terms, it's realising and seizing opportunities to collaborate with international partners, either bilaterally or through multilateral fora, in all stages of the regulatory lifecycle. This can include identifying the potential impacts of a new policy on foreign countries, consulting partners on tackling regulatory issues, or exchanging best regulatory practices with like-minded jurisdictions.

### Why is IRC important?

For UK policymakers, consideration of IRC is increasingly significant given we are at an important juncture for the country and our regulatory regime. We have reclaimed our regulatory competencies as we build on our global ambitions now that the UK has left the EU. In tandem, we are developing our own independent trade policy, which includes ensuring policymakers consider the impacts on businesses operating across borders throughout the policymaking cycle. This helps lay the groundwork for future trade agreements.

As the coronavirus pandemic has exposed, there are global challenges and threats to global public goods that can only be tackled effectively through international cooperation and where unilateral or uncoordinated action is unlikely to have a measurable positive impact. Such examples include the effects of climate change and protecting biodiversity, stabilising the global financial system and weathering economic shocks, supporting the resilience of global supply chains and availability of essential goods, and responding to disease outbreaks and future pandemics. The regulatory outcomes required to address these issues need to be driven by governments in a united and coordinated approach.

<sup>&</sup>lt;sup>4</sup> OECD (2013); International Regulatory Cooperation: Addressing Global Challenges.

Take supply chains as an example. Global supply chains are longer and more complex than ever, where disruptions in the chain can have huge implications on the global economy. International coordination on setting the frameworks that regulate supply chains could help to build resilience to shocks.

In addition, emerging technologies are increasingly accessible globally. Whilst these create exciting opportunities for innovative business, they generate new challenges in how we regulate. We therefore require an understanding of the approaches of other countries to ensure the UK remains a leader at the cutting edge of regulating the technologies of the future, whilst seeking to cooperate on how they are regulated to foster, and not stifle, innovation.

Unintended regulatory divergences can create unnecessary barriers to trade and innovation and have disproportionately harmful impacts on smaller businesses. In the financial sector, regulatory divergences are reported to cost financial institutions between 5 to 10% of their annual global turnover, accounting for some USD 780 billion per year, with the financial performance of smaller firms the hardest hit. <sup>5</sup> IRC between jurisdictions can help to ensure that unintended regulatory divergences, and additional costs on businesses, are minimised.

### What are the benefits of IRC to the UK?

IRC initiatives can lead to a number of benefits for UK government, devolved administrations, regulators, standards bodies, industry, and ultimately, consumers.

Collaboration with international governments, regulators and international organisations can help to identify opportunities to increase cross-border regulatory alignment when in the UK's interest. This can support the reduction of unnecessary non-tariff barriers for businesses, resulting in greater trade and investment, the sharing of ideas and fostering of technological innovation, helping to establish the right regulatory environment for UK businesses, alongside creating jobs and supporting economic growth.

If there is an opportunity for the UK to shape existing international regulatory instruments to the greater benefit of the UK, IRC can help to identify the areas of regulation that require amending and build support among other international partners.

Diverging from international regulation may present an opportunity for the UK by taking the lead on developing new regulation that better promotes UK interests. Working with international stakeholders here is important to understand the flaws of the existing regulation and ensure they are being addressed. In sectors where regulation is underdeveloped and in which the UK has expertise, the UK can demonstrate its regulatory leadership on the global stage by seizing its first-mover advantage. Gaining international buy-in during the development of regulation can support the adoption of UK-designed regulation at a global level.

Effective IRC during the policymaking process can also help to ensure that the lessons learned from making regulation in similar foreign jurisdictions are shared and considered, leading to

<sup>&</sup>lt;sup>5</sup> IFAC and BIAC (2018); "Regulatory Divergence: Costs, Risks, Impacts." www.ifac.org/system/files/publications/files/IFAC-OECD-Regulatory-Divergence.pdf

improved domestic regulation. If undertaken successfully, IRC can promote the UK's trade and innovation friendly regulatory landscape by:

- When beneficial to the UK, increasing alignment of regulatory practices with foreign partners, making it easier for industry and business to collaborate with each other, improve market access and facilitate trade and economic growth.
- Helping to establish a level playing field of global regulation to ensure that UK businesses are operating on an equal footing with foreign businesses and are not competitively disadvantaged.
- Promoting good regulatory practices such as public consultations, impact assessments (IAs) and post-implementation reviews (PIRs) – through sharing information and expertise with foreign partners and international organisations.
- Strengthening UK influence on developing and shaping standards and regulations both bilaterally and multilaterally.

It is worth noting that IRC is not a mandatory requirement; policymakers should make their own judgement on whether undergoing IRC is appropriate in their policy development. Neither is IRC an easy task. Implementation can be complex, and benefits slow to be realised. However, the benefits of undergoing proportionate IRC are expected to outweigh the cost of not undergoing IRC at all.

# Case study: The Medicines and Healthcare products Regulatory Agency – collaborating internationally to tackle COVID-19

The Medicines and Healthcare products Regulatory Agency (MHRA) is the UK competent authority for regulating medicines, medical devices and blood components for transfusion in the UK. It plays a leading role in protecting and improving public health and supports innovation through scientific research and development.

The UK is a member of Access consortium – a medium-sized coalition of regulatory authorities that work together to promote greater regulatory collaboration and alignment of regulatory requirements. It consists of health regulatory partners from Australia, Canada, Singapore and Switzerland working together to maximise international co-operation, reduce duplication, and increase capacity to ensure patients have timely access to high quality, safe and effective therapeutic products.

The Access Consortium explores opportunities for collaboration in areas such as sharing assessment reports for new prescription medicines, information sharing and investigations into post-market surveillance, alignment of IT systems and the development of technical guidelines. The Access partners are aligned by high standards of scientific rigour and integrity.

Throughout the COVID-19 response, the MHRA has collaborated significantly with the Access Consortium, particularly on information exchange between assessors on

COVID-19 vaccines. Specific discussions have taken place on areas of the vaccine assessments bringing together the skills and expertise from the five regulatory authorities. Through this partnership, Access will reduce regulatory duplication and increase each agency's capacity to ensure that, globally, there is access to high-quality, safe and effective solutions to address the COVID-19 emergency.

# The strategic context

### **OECD** Review

In 2018, the Better Regulation Executive commissioned the OECD to conduct a review of the UK's international regulatory cooperation practices. The review aimed to assess how well UK policymakers and regulators engage in IRC and increase awareness of its benefits.

While the review found that the UK is active on the IRC agenda, our activity is ad hoc and lacks a strategic and systematic cross-government approach. The review made 25 recommendations on how the UK could address this, which fell into three broad areas:

- 1. Build a holistic IRC vision and strategy with clearly defined roles and responsibilities.
- 2. Further embed stronger IRC considerations in regulatory management tools (beyond trade and business impacts) and throughout the rulemaking cycle.
- 3. Update incentives, awareness and guidance to government departments and regulators.

In September 2020, the government published the <u>International regulatory cooperation for a</u> <u>global Britain: government response to the OECD review of international regulatory</u> <u>cooperation of the UK</u> policy paper. It committed to publishing a whole-of-government IRC strategy which sets out the policies, tools and respective roles of government departments and regulators to further embed IRC considerations domestically within the better regulation framework and other government guidance.

### IRC Strategy call for evidence

The government response also included a call for evidence to regulators, standards bodies, industry bodies, businesses and other organisations to ensure that government's IRC strategy aligns with the needs of the wider regulatory and business community and would inform the development of the IRC strategy. The call for evidence sought to understand:

- How these groups already engage in IRC.
- Respondents' priorities to help inform where we focus our future efforts.
- How the government can aid respondents to identify and pursue opportunities.

The call for evidence received 57 responses from a range of stakeholders. Respondents cited that the main challenges in undertaking IRC initiatives include the fragmentation of the regulatory landscape in the international arena, cultural differences in interpretation and enforcement of regulation, and barriers to information sharing due to sensitivity or confidentiality of information and national security concerns.

Respondents also suggested ways that the government could help support them in undertaking IRC initiatives. These included providing practical guidance on their IRC efforts, such as ways to engage with international organisations and advice on developing memoranda of understanding. Another prominent suggestion was the facilitation of networks between government departments and regulators, standards bodies and industry to share best practice approach for cooperation between domestic bodies. <sup>6</sup>

#### Case study: Ofcom – developing regulatory harmonisation in spectrum

Ofcom is the UK's regulator and competition authority for communications industries. It manages the UK spectrum to ensure it is used in the most efficient and effective way. Ofcom's work involves releasing spectrum for new uses and ensuring that it is used to support a wide range of wireless services.

It works internationally on regulatory and technical harmonisation issues, both bilaterally and multilaterally, working closely with UK stakeholders to ensure that UK interests are fully understood and can be best represented in international discussions.

Within Europe, Ofcom engages in the European Conference of Postal and Telecommunications Administrations (CEPT), which spans 48 countries. CEPT, through extensive technical studies to which Ofcom contributes regularly, develops the technical conditions for harmonised use of spectrum across Europe.

Ofcom currently chairs the Electronic Communications Committee (ECC) which oversees the CEPT's work on spectrum harmonisation and numbering issues. CEPT/ECC's technical harmonisation work is important given that effective and efficient use of spectrum often requires cross-border and regional coordination. Solid technical harmonisation also ensures that consumer and industrial communications equipment can be developed achieving economies of scale, enabling the growing use of a wide range of wireless communications services. Ofcom, working with other administrations and UK industry, has played an active role in promoting mobile broadband, WiFi, satellite and various wireless consumer devices and industrial applications. Our reputation as an influential thought leader in shaping international spectrum regulation brings benefits to the UK as an attractive home for investment in wireless technology and services.

At a global level, Ofcom (representing the UK) works extensively in the Radiocommunications Bureau of the International Telecommunications Union (ITU-R) and within ITU-R Study groups on technical spectrum issues including satellite, broadcasting and mobile. It currently chairs ITU-R Study Group 5, the global forum for discussing regulatory and technical issues around spectrum for terrestrial services. These study groups provide substantial input to the global decision-making process under a UN Treaty, the Radio Regulations, which is negotiated and revised every few years at the

<sup>&</sup>lt;sup>6</sup> See the International Regulatory Cooperation Call for Evidence Summary for a detailed analysis of the call for evidence.

World Radio Conference. Ofcom leads negotiations for the UK on behalf of the UK government."

# Delivering our vision

The IRC strategy comes in response to our pursuit for a domestic regulatory environment that is pro-business, innovation friendly and protects consumers and the environment. It aims to deliver in three main areas. These focus on how we are improving our coordination, capability and collaboration to give us an advantage in our IRC efforts and in turn, drive the UK's efforts to enhance our domestic regulation.

#### 1. Better coordination

- Set a clear definition of IRC that is recognised across government to ensure a common understanding among policy officials and regulators.
- Define the roles and responsibilities of UK government departments, the devolved administrations, UK regulators, UK national standards and accreditation bodies to ensure better coordination and understanding of government levers to improve IRC efforts.
- Increase our engagement and coordination with regulators and standards bodies by holding discussions on IRC, with government departments and the devolved administrations, to share best practice and lessons learned collectively from our IRC initiatives.

#### 2. Building capability

- Increase awareness of the importance of engaging internationally and how IRC initiatives contribute to improving international partnerships and better domestic regulation.
- Publish and implement an IRC toolkit which provides advice to encourage more systematic considerations of the international environment when working on regulatory measures. It also includes advice on monitoring and evaluating IRC initiatives to enable users to measure the impact of their efforts and inform future IRC efforts and generate lessons learned.
- Look to further embed stronger IRC considerations in management tools throughout the entire regulatory lifecycle and update existing regulatory guidance to include good regulatory practices on IRC.

#### 3. Global collaboration

- Harness IRC opportunities to strengthen bilateral relationships with partner countries and deepen engagement with multilateral initiatives to ensure that our domestic regulation is future-facing and innovation friendly, while protecting citizens and the environment.
- Continue to demonstrate global leadership in better regulatory practices to ensure we remain at the forefront of shaping the regulatory frameworks of tomorrow in the UK interest.

# Part 1: Better coordination

### Roles and responsibilities

This section sets out the roles and responsibilities of UK government departments, the devolved administrations, UK regulators and UK national standards and accreditation bodies. It identifies levers that can help to support IRC engagement and enable it to be greater than the sum of its parts. This will help to ensure a more coordinated and cohesive approach to conducting IRC across the various government and non-government functions.

### Department for Business, Energy & Industrial Strategy

The <u>Better Regulation Executive (BRE)</u> is a central oversight body for better regulation (Good Regulatory Practices) and is situated within the Department for Business, Energy & Industrial Strategy (BEIS), with a 'whole-of-government' remit. It oversees the Better Regulation Framework, which sets out the arrangements for central government rulemaking, including the design and implementation of regulation. These arrangements are a mixture of legislative and administrative requirements, including consultations, IAs, and PIRs. The BRE works with government departments to ensure we have a world class regulatory system which enables better outcomes for the economy, society and the environment, and to ensure that the regulation which remains is smarter, better targeted and less costly to business.

The BRE is responsible for embedding better regulation and the consideration of alternatives to regulation in policymaking. It works with UK government departments to provide training and advice to help them implement the Better Regulation Framework.

The BRE also has a role to support colleagues and build capacity and understanding of IRC. It seeks to drive IRC throughout domestic rulemaking to ensure that policymakers and regulators build in an international dimension to their policy development – that they are aware of best practice in other countries, as well as ensuring that the impact of regulation on trade is considered to avoid the erection of unnecessary non-tariff barriers.

In support of this, we are publishing an IRC toolkit alongside this strategy. The toolkit provides guidance to government officials and regulators on how to implement IRC considerations into their policy development. The BRE will be available to socialise advice set out in the toolkit and seek to share relevant information between different actors across government and regulators where it can help reinforce their complementary objectives.

Following feedback from responses in the IRC strategy call for evidence, the BRE will host IRC discussions with IRC practitioners to increase greater collaboration between government departments, the devolved administrations, regulators and standards bodies by providing updates on, and opportunities for, IRC initiatives and sharing experiences and good regulatory practices.

Through the BRE, the UK is an active member in the OECD's Regulatory Policy Committee and will continue to promote and share best practice on regulatory policy. It also undergoes bilateral cooperation with foreign governments on technical aspects of regulatory policy, such as providing advice on regulatory mechanisms.

BEIS maintains the <u>GOV.UK Licence Finder</u> tool. This tool directs both UK and international businesses and service providers to the right authorisation procedures they need, in order to offer their service in the UK. The Licence Finder covers a wide range of service sectors which offers users the benefit of only needing to visit a single site to identify and access all authorisations relevant to their particular service activity, saving users time and money. BEIS is currently undertaking a cross-government exercise to update this tool.

### Office for Product Safety and Standards, BEIS

The purpose of the Office for Product Safety and Standards (OPSS) is to make regulation work so that it protects people and enables businesses to understand their obligations. OPSS is the UK government's enforcement authority for a range of goods-based and standards-based regulations. It is the national regulator for many consumer products areas, and for legal metrology, ensuring weighing and measuring instruments are accurate and reliable.

OPSS leads the relationship with the British Standards Institution (BSI) and the United Kingdom Accreditation Service (UKAS). The BSI is appointed as the UK's National Standards Body and its role is to give the UK a voice, in particular in European (e.g. CEN/CENELEC) and international (e.g. ISO and IEC) organisations, and to influence international standards and their development. UKAS is appointed as the UK's National Accreditation Body to assess and accredit organisations that provide certification, testing and inspection services.

OPSS can:

- Provide international engagement advice on regulatory matters, including establishing technical assistance programmes that support HMG priorities.
- Support engagement with multinational organisations that influence global regulatory policy and standards making.
- Give guidance on regulatory tools to improve the design and delivery of in-country regulatory delivery.
- Provide support on product regulation matters in trade negotiations to support opportunities for UK trade and investment.

### **Regulatory Policy Committee (RPC)**

The UK's <u>Regulatory Policy Committee (RPC)</u> is an independent committee, sponsored by the Department for Business, Energy and Industrial Strategy (BEIS) that critically appraises the evidence and analysis presented in IAs. This role supports regulatory policy decisions affecting the economy, businesses, civil society, charities and other non-government organisations. The RPC is formed of independent experts from a range of backgrounds, including the private and voluntary sectors, business, the legal profession, and academia, and provides advice in the

form of opinions to help ensure that ministerial policy decisions are based on accurate evidence and helps to produce better regulation.

The RPC undergoes international engagement in order to promote best practice and share indepth technical knowledge on regulatory scrutiny to enhance bilateral and multilateral regulatory compatibility. It exchanges best practice with like-minded organisations and provides training and capacity-building to partners to support the establishment of regulatory scrutiny bodies and share knowledge overseas.

The RPC also regularly produces and updates guidance for departments and regulators which helps to support the formation of better regulation. Through its scrutiny function, it will assess the analytical evidence on the impact of proposal on international trade and investment gathered through the IA process. Once these IAs are published, they will be able to inform future IRC initiatives.

### Other government departments and functions

### Department for Digital, Culture, Media & Sport

The Department for Digital, Culture, Media & Sport (DCMS) helps to drive growth, enrich lives and promote Britain abroad. DCMS has a key role in delivering on commitments and objectives related to IRC as set out in the relevant national strategies (e.g. the Integrated Review, the National Cyber Strategy, the National AI Strategy, the Plan for Digital Regulation and the forthcoming Digital Strategy).

DCMS works closely with other departments and UK stakeholders, and engages with global Standards Developing Organisations and international partners across a range of technical standards and priority technologies, such as telecoms, Internet protocols and AI. Some examples of DCMS's work in this space include:

- Leading on digital facing work with the G7: under the UK's presidency, the G7 countries, as well as Australia and the Republic of Korea, agreed a Framework for G7 Collaboration on Digital Technical Standards. This is an ambitious commitment to increase international coordination and work with stakeholders to support industry-led and inclusive multi-stakeholder approaches, so that digital technical standards continue to be developed in a way that is in line with international best practice.
- Playing a leading role in international discussions on AI ethics and potential regulations: this includes work at the Council of Europe, UNESCO, the OECD and the Global Partnership on AI (GPAI). As the UK looks to shape its own approach to AI governance and regulation this year, we will continue to work with international partners to support the development of rules around the use of AIs.
- Driving work on the creation of cyber security standards for consumer Internet of Things (IoT) through collaboration with European Telecommunications Standards Institute (ETSI). DCMS in cooperation with NCSC, the German government and industry partners have established the first global standard for consumer IoT security. This will form the basis of legislation in the UK.

DCMS can:

- Influence other countries and enable global alignment on cyber security.
- Identify opportunities and offer advice on specific areas of digital and technology policy for collaboration with international stakeholders - and promote IRC within bilateral and multilateral fora.
- Advise on how the current and future digital landscape might impact on international regulatory cooperation initiatives.
- Identify areas where it could be advantageous for the UK to diverge from other countries in its regulatory approach to digital technologies.
- Consider how digital technical standards can support domestic rulemaking as a complement or alternative to regulation, how they can facilitate global interoperability and coordinate routes for direct engagement in standards work.

### **Department for International Trade**

The Department for International Trade (DIT) secures UK and global prosperity by promoting and financing international trade and investment and championing free trade.

It also helps UK business export and grow into global markets and helps overseas companies locate and grow in the UK. <u>great.gov.uk</u> is the government's single destination for information on how to start exporting or increasing the amount of goods and services a business can sell overseas, and investing in the UK. DIT is the government department leading on Free Trade Agreements so has a critical role in maintaining relationships with international partners.

DIT can:

- Advise on government's current trade priorities and trade developments in international and regional fora.
- Inform government departments' policy teams when notification procedures to the WTO are applicable. In some instances, the UK is obliged to notify Free Trade Agreement (FTA) partners and the WTO of draft regulation. DIT also represents the UK government in the WTO on issues relating to product regulation.
- Advise on requirements for the UK to engage directly with some FTA partners when planning regulatory measures.
- Give feedback to policymakers on non-tariff barriers (NTBs) to trade from intelligence received from the DIT <u>market access tool</u>.
- Support in upskilling teams across government on the consideration of international standards, where they exist, as the basis for regulation.

 Work with government and non-government stakeholders to build competence on technical barriers to trade (TBT) and provide information on registering with the <u>ePing</u> <u>notification system</u> and filtering notifications.<sup>7</sup>

### Foreign, Commonwealth and Development Office

The Foreign, Commonwealth and Development Office (FCDO) works to pursue our national interests and project the UK as a force for good in the world. It promotes the interests of British citizens, safeguards the UK's security, defends our values, reduces poverty and tackles global challenges with our international partners.

Through its embassies and high commissions, the FCDO international network has a presence in 280 countries across the world. Through the 'Regulatory Diplomacy' initiative, the overseas network will be utilised to provide knowledge and expertise to inform domestic policymaking and highlight opportunities for international collaboration.

The FCDO can:

- Offer advice on country specific areas of collaboration and act as a broker between UK and foreign officials and international organisations to discuss IRC.
- Advise on how broader foreign policy and political contexts can impact on regulatory cooperation initiatives.
- Provide intelligence relevant to the policy area to ensure the UK is maximising influence through international regulatory and standards setting.
- Give guidance on drafting international treaties and advice on UK engagement protocols at international organisations via Permanent Delegations.

### **Better Regulation Units (BRUs)**

Better Regulation Units (BRUs) sit in most government departments and some regulators. The responsibilities of BRUs are as follows:

- Support their policy teams by providing advice on complying with the Better Regulation Framework principles and processes.
- Provide advice to their organisation on reducing the regulatory burden on businesses by making regulation more effective and minimising the amount of unnecessary or duplicative regulation.
- Help their organisation's policy teams to apply international evidence during the IAs, PIRs and throughout the rest of the policymaking cycle.
- Manage their organisation's relationship with the RPC.

<sup>&</sup>lt;sup>7</sup> ePing is a notification system used to submit – and stay informed on – planned regulatory revisions covering products and/or markets.

### **Devolved Administrations**

Responsibility for better regulation policy falls to the devolved administrations in their areas of competence. The Scottish Government, the Welsh Government and the Northern Ireland Executive have their own frameworks and processes – including impact assessments, systems of independent scrutiny and other requirements.

We intend to make guidance and support from the BRE accessible to the devolved administrations to continue our collaborative relationship on issues concerning IRC, including the sharing of opportunities to participate in IRC initiatives, when appropriate.

### Regulators

Regulators play a central role in developing, implementing, and/or enforcing regulation in their respective markets and sectors to encourage fair competition, safe practices and effectively functioning markets, while protecting consumers and the environment. However, their specific roles and responsibilities vary depending on their scope and remit.

Many already recognise the importance of IRC with regulatory partners abroad to improve domestic regulation-making. Out of 35 regulators who responded to the IRC strategy call for evidence, 33 provided details of international engagement with counterpart bodies, foreign governments or international organisations on either a bilateral or multilateral level with varying degrees of formality.

As illustrated in the case studies throughout this strategy, relationships established with foreign regulators and other international bodies have supported UK regulators to improve their domestic regulation-making to facilitate innovation, shape international norms in the UK's interest and demonstrate the UK's outstanding regulatory knowledge, expertise and leadership in multiple sectors.

### UK national standards and accreditation bodies

#### **British Standards Institution**

The British Standards Institution (BSI) is the UK's National Standards Body. BSI operates in accordance with a Memorandum of Understanding with the UK government and is responsible for independently developing national standards and for representing the UK in key international standardisation bodies. It works to develop standards by sharing knowledge, innovation and best practice across industries, businesses, governments and consumers. BSI facilitates the involvement and influence of UK stakeholders in the development of standards in Europe via the European Standards Organizations (CEN and CENELEC) and internationally via ISO (International Organization for Standardization) and the IEC (International Electrotechnical Commission).

Alongside the UK's national accreditation body – United Kingdom Accreditation Service (UKAS) – BSI has developed the <u>'Standards and accreditation – tools for delivering better</u> regulation' handbook for government ministers. It explains how standards and accreditation

can help government to deliver policy through self-regulation, earned recognition and coregulation and in line with better regulation principles.

The BSI provides free <u>guidance documents</u> published by the international and European standards bodies to help standards developers take account of particular topics in their work.

### **United Kingdom Accreditation Service**

The United Kingdom Accreditation Service (UKAS) is appointed as the sole National Accreditation Body for the United Kingdom to assess conformity assessment organisations in the mandatory and voluntary sectors that provide certification, testing, inspection, and calibration services (e.g. Approved Bodies in Great Britain and UK Notified Bodies for the Northern Ireland market). Accreditation is a means of assessing the technical competence and integrity of conformity assessment bodies. The ultimate purpose of UKAS's accreditation activity is to provide confidence in the results of conformity assessment bodies and assurance to consumers, purchasers, regulators and government in goods and services.

UKAS's involvement in international groups serves to harmonise accreditation and conformity assessment activities around the globe and recognise technical equivalence of accredited conformity assessment through mutual recognition agreements. This reduces the need for multiple assessments of suppliers, and therefore helps to reduce barriers to trade for organisations who have UKAS accreditation.

### **IRC** networks

We recognise that better regulation is achieved when government and regulators work together by maintaining regular dialogue. Stronger strategic engagement and consultation with UK regulators and the business community can be an effective way to identify frictions from diverging regulatory approaches and share IRC experiences and best practice.

This was reiterated in the IRC call for evidence where respondents highlighted the value of forums or networks between government departments and regulators to share good IRC practices and provide updates on ongoing IRC initiatives, such as the <u>Agile Nations</u>.

The Regulators' Forum is chaired by the Better Regulation Executive in BEIS and hosts a range of UK government departments and regulatory bodies to share experiences, develop connections with other regulators and keep abreast of BRE's priorities and projects.

The BRE will hold sessions on IRC at the Regulators' Forum with government departments, the devolved administrations, regulators, standards bodies and national quality infrastructure institutions to delve deeper into our IRC efforts and ensure we are extracting best practice and lessons learned from our IRC initiatives, as well as share expertise and resources.

A list of government departments, agencies, and public bodies, which include many UK regulators, can be found on the <u>gov.uk</u> website. <sup>8</sup>

# Case study: Office for Nuclear Regulation (ONR) – Strategic Framework for International Engagement

The UK nuclear sector operates within a global context of international law, obligations, standards and effective engagement. The UK actively promotes IRC to influence the development of international standards, guidance and good practice to help achieve domestic regulatory objectives and promote worldwide safety and security.

ONR published the Strategic Framework for International Engagement (SFIE) to 2025 which sets the strategic intent and purpose for its international activities. This enables the UK to influence standard-setting globally and develop international standards and guidance that directly inform the UK regulatory framework.

The SFIE also aims to enhance the UK's reputation as a world leading regulator by leading in developing and harmonising international regulatory approaches and supporting other countries to achieve good standards and compliance in nuclear safety, security and safeguards.

The Framework is an example of strategic thinking around IRC in a specific sector which defines priority objectives and criteria to assess the impact and benefits to the UK of participating internationally. It is reviewed annually to reflect shifting priorities, take account of international and political developments, and to assess where international engagement can be further enhanced and strengthened.

<sup>&</sup>lt;sup>8</sup> <u>https://www.gov.uk/government/organisations</u>

# Part 2: Building capability

Traditionally, IRC has not been regarded as a necessary element of domestic policymaking. As the need to undertake IRC becomes increasingly clear, so too does the need to ensure that policymakers and regulators have the required capability, through access to essential tools and guidance, to carry it out effectively. This section sets out how we are building the capability of policymakers and regulators through the introduction of IRC tools, updated guidance and the Regulatory Diplomacy initiative.

### IRC toolkit

Alongside the publication of this strategy is the IRC toolkit. It is designed for government officials and regulators to encourage users to consider IRC initiatives in their policymaking and provides advice and guidance on how to effectively incorporate IRC in the development of their policy. All policymakers and regulators should refer to the toolkit in the early stages of their policy development to ensure that IRC considerations are made from the outset.

The IRC toolkit provides readers with a series of prompts and suggestions to engage with international stakeholders throughout the entire policy development. IRC is not mandatory, and policymakers are best placed to decide the level of IRC required.

First, the toolkit poses five questions about the policy under development which gives users an indication of whether IRC will be required at some stage. Next, the toolkit demonstrates how to embed IRC considerations throughout the policymaking process.

The third part provides advice on how users can engage with international partners during the IAs and PIR stages which are critical to assessing and evaluating the impacts of the policy. The use of international evidence in these stages is part of existing good regulatory practice. Policymakers can go a step further by engaging with international partners to provide a better understanding of the context and methodology of the evidence.

For those seeking to engage with new international stakeholders, the fourth tool offers users practical advice on engaging with international counterparts and organisations. The final part of the toolkit sets out the government and non-government bodies that policymakers and regulators can consult to seek support on undertaking IRC, along with their roles and responsibilities. It also includes sources of international evidence that users can draw on to build an evidence base for their policy.

"Policymakers will build in international considerations from the start, taking account of our existing international obligations, likely future agreements, and the impact of regulations and standards developed by other nations. This includes consideration of how digital technical standards can support domestic rulemaking as a complement or alternative to regulation, and how they can facilitate international interoperability" – Digital Regulation: Driving growth and unlocking innovation

### Assessing the impacts of IRC

The findings from the OECD review into the UK's IRC practices found that they are often undertaken in an irregular and ad hoc manner. When IRC initiatives do take place, the aim is often to improve the development or delivery of a policy. However, an evaluation of the IRC initiative itself is rarely considered. This means that there is limited evidence to demonstrate how effective the IRC initiative was and fails to capture its short to long-term costs and benefits.

When designing proportionate monitoring and evaluation plans for policies, government departments and regulators are encouraged to consider the impacts of IRC initiatives. As there is no current framework or guidance to monitoring and evaluating IRC initiatives, the IRC toolkit poses a series of questions that users can consider at the end of the policy development cycle. This will help policymakers and regulators draw out evidence of the effectiveness of regulatory cooperation, and ensure the costs, benefits and lessons learned of IRC efforts are being recorded and used to inform future initiatives.

### Embedding IRC considerations in existing guidance

Embedding considerations of IRC in regulatory management tools is an important step to ensuring that international dimensions are regarded throughout the rulemaking process. Stronger regard for IRC during policymaking could lead to more robust options appraisals, identification of existing regulatory instruments and opportunities for demonstrating UK regulatory leadership by delivering successful regulation in practice.

### The Better Regulation Framework

The Better Regulation Framework provides guidance on compliance with good regulatory practices and principles for domestic regulatory measures that impact on businesses. It includes advice on regulatory IAs and PIRs, as well as how to comply with statutory requirements.

In July 2021, the BRE published a consultation on <u>reforming the framework for better</u> <u>regulation</u> to ensure that the framework remains fit for purpose and delivers the government's regulatory strategy objectives. The UK's exit from the EU offers the opportunity to rethink how the UK regulates in a way that boosts productivity and benefits all parts of the country.

Under the new framework for better regulation, the government will reform the impact assessment process to improve the rigour with which the impacts of regulation are scrutinised and assessed and ensure that departments succinctly and accessibly capture key information.

The government will also publish updated guidance on proportionate evaluation and the post implementation scrutiny process. This is so the time period for completing PIRs of regulation is proportionate to the impacts of the regulation in question and the availability of evidence.

One of the key principles underpinning the better regulation framework reforms is '*setting high standards at home and globally*' which includes our ambition to engage in robust regulatory diplomacy. As part of this principle, we will consider incorporating IRC considerations into the revised framework guidance.

### Alternatives to regulation

Regulation may not always be the most appropriate measure to achieve a policy objective. There is a range of alternatives to regulation that policymakers may be able to pursue without the requirement for legislation, such as co-regulation, self-regulation and technical standards and accreditation. Alternatives may be a more time and cost-effective way of bringing about certain behaviours. They can also be less burdensome on businesses and encourage competition, be more flexible and responsive to advances in innovation, and promote greater compliance and freedom in markets. And like regulation, taking the first-mover advantage to develop domestic standards can serve to influence the adoption of standards internationally, thereby supporting innovation, opening markets and promoting greater integration of global supply chains.

As outlined in <u>the benefits of Brexit</u>, under the improved regulatory framework, the government will set regulation only where it is absolutely necessary and where it is likely to bring about the most impactful intervention. Government departments will be required to consider alternatives to regulation and provide clear justification for regulating if alternatives are not deemed to be the best course of action.

The Better Regulation Executive will provide support to government departments to ensure that all alternative options have been considered before pursuing regulatory measures. This support will range from providing examples of best practice, including the successful introduction of alternatives abroad, to bespoke support if required.

### The Regulators' Code

<u>The Regulators' Code</u> provides a clear, flexible and principles-based framework for how regulators should engage with those they regulate. This includes regulating in a way that supports those they regulate to comply and grow, ensures that they actively engage with those they regulate and ensure that they base their regulatory activities on risk.

The consultation on reforming the framework for better regulation invited views on the role of regulators to promote innovation and competition. The UK government recognises that the UK's regulatory system would benefit from streamlining and improving the consistency of

regulators' obligations and duties, including through consideration of wider economic impacts such as growth, competition and innovation. It is reviewing how regulators can best serve the UK's interests, such as achieving Net Zero, and will ensure that they have the right powers and duties to carry this out.

### HM Treasury Green Book

The Green Book is guidance issued by HM Treasury on how to appraise policies, programmes and projects. It also provides guidance on the design and use of monitoring and evaluation before, during and after implementation.

The Green Book notes that the process of policy development should be based on objective evidence from a range of possible sources, including international comparisons. We will consider updating guidance in the Green Book at future iterations to include more consistent references to the use of international evidence and IRC advice in policy development.

### **Regulatory Diplomacy**

The government-wide 'Regulatory Diplomacy' initiative builds on the UK's world leading approach to regulation by actively shaping global regulatory frameworks, raising standards internationally and influencing global norms through international relationships and influence. UK regulatory diplomacy is focused on shaping the future frontiers of the economy, in emerging tech and in areas that most impact the UK's long-term strategic advantage, economic security and competitiveness, and core values and security, in support of UK business and industries, now and in the future.

The Regulatory Diplomacy initiative is driving stronger collaboration between the UK's diplomatic network and government departments. Government policymakers working on fast-moving areas, such as AI, data, quantum, space and other sectors of strategic importance to the UK, including critical minerals and infrastructure, are connected to the geopolitical context and international regulatory environment, and the diplomatic network has access to expert knowledge and skills to support the delivery of UK priorities overseas. HMG works collectively to provide information and expertise on international engagement between government departments, regulators and the business community to inform domestic policymaking and highlight opportunities for international collaboration.

# Part 3: Global collaboration

The UK is a leading global collaborator on regulatory initiatives and promoting good practices. Government recognises the numerous benefits of working with international partners to deliver a strong domestic regulatory environment that is pro-business and innovation friendly, while shaping the global regulatory landscape of trans-border technologies that impact the UK and its citizens.

### Strengthening partnerships

Our bilateral relationships with likeminded jurisdictions and multilateral engagement with international organisations and groupings play a central part of developing a world-class regulatory regime. Outside the European Union, the UK will continue to strengthen partnerships on regulatory issues in key priority areas for UK interests.

### **Agile Nations**

In the face of an increasingly complex set of global challenges and opportunities, our governance will require an agile regulatory approach to spur on – and harness the potential of – innovation, while keeping the public and environment safe.

The UK is one of the founding members of the Agile Nations intergovernmental network which seeks practical collaboration on innovative regulatory approaches to new technologies. Along with six other members, and jointly convened by the OECD and World Economic Forum (WEF) <sup>9</sup>, the UK endorsed the <u>Agile Nations Charter</u> to improve cooperation with partner members on rulemaking.

The Agile Nations aim to foster cooperation on regulatory rulemaking by creating an international regulatory environment which allows businesses and innovators within their jurisdictions to navigate each other's regulatory landscape, test new ideas with regulators and scale them across global markets.

The <u>Agile Nations Work Programme</u> 2021 to 2022 consists of ten projects across six different workstreams. Each project has been developed either bilaterally or multilaterally to foster practical collaboration between members and observers. The UK is involved in the development of eight projects, and will continue to demonstrate thought leadership within the Agile Nations network.

The UK will continue to champion good regulatory practices through the Agile Nations network and work with our partner countries to ensure the UK is at the forefront of innovative regulatory approaches to emerging technologies.

<sup>&</sup>lt;sup>9</sup> The seven Agile Nations are: Canada, Denmark, Italy, Japan, Singapore, the United Arab Emirates, and the United Kingdom. The OECD and WEF hold Observer status.

# Free Trade Agreement chapters on good regulatory practices and regulatory cooperation

Since leaving the EU, the UK government has developed an ambitious set of trade and investment objectives to make its vision for Global Britain a reality. Our ambition is to secure free trade agreements (FTAs) with countries which represent 80% of UK trade by 2023.

We seek to embed and implement good regulatory practices and regulatory cooperation (GRPRC) in future trade agreements. These provide an opportunity to commit to good regulatory practices with our partner countries and help ensure that Parties minimise negative impacts on businesses via red tape or non-traffic barriers.

The <u>UK-Australia Free Trade Agreement</u>, <u>UK-New Zealand Free Trade Agreement</u> and the <u>UK/EU and EAEC: Trade and Cooperation Agreement</u> all include a chapter on GRPRC. They contain commitments to make regulations accessible, ensuring public consultations when designing regulations and to encourage regulatory authorities, where appropriate, to cooperate on current and future regulation.

#### UK-Australia Free Trade Agreement – Chapter 26: Good Regulatory Practices <sup>10</sup>

#### **Article 26.2 General Provisions**

1. The purpose of this Chapter is to promote good regulatory practices in the process of planning, designing, issuing, implementing, and reviewing regulatory measures to facilitate achievement of domestic policy objectives and regulatory cooperation between the Parties with the aim of enhancing bilateral trade and investment, as well as economic growth and employment, by promoting:

(a) an effective, transparent, and predictable regulatory environment;

(b) compatible regulatory approaches and reducing unnecessarily burdensome, duplicative, or divergent regulatory requirements;

(c) the exchange of information on regulatory measures, practices, or approaches of the Parties, including how to enhance their efficient application; and

(d) bilateral cooperation between the Parties in international fora.

### **Regulatory Horizons Council**

The Regulatory Horizons Council (RHC) is an independent expert committee that the government committed to establishing in its white paper on <u>Regulation for the Fourth Industrial</u> <u>Strategy</u>. The RHC identifies the implications of technological innovation with high potential benefit for the UK economy and society and provides government with impartial, expert advice

<sup>&</sup>lt;sup>10</sup> https://www.gov.uk/government/publications/uk-australia-fta-chapter-26-good-regulatory-practice

on the regulatory reform required – including through regulatory and non-regulatory changes – to support its rapid and safe introduction.

Since its establishment in 2020, the RHC has produced a series of reports on regulatory reform and has used an evidence-based approach to identify and prioritise key areas. The initial tranche of 'deep dives' focused on the regulation of fusion energy, genetic technologies, medical devices and drones. The reports and recommendations have now been published. <sup>11</sup> The Council is now working on its tranche two programme of work over the next six to twelve months, including projects on principles for pro-innovation regulation, hydrogen in maritime, neurotechnology, and artificial intelligence as a medical device.

During the development of these projects, the RHC has worked bilaterally with domestic and international partners during the scoping and evidence gathering stages. This has allowed the RHC to gain an understanding of international best practice to better inform its projects.

The RHC will continue to look for opportunities to:

- Use insights from likeminded countries and organisations to inform priority technologies for its projects.
- Engage with stakeholders to draw on international best practice to promote innovation domestically.
- Promote its recommendations internationally to guide the approach in likeminded countries. This creates opportunities for the UK to capitalise on its first-mover advantage in shaping the international regulatory environment.

# Case study: Human Fertilisation and Embryology Authority – sharing best practice internationally

The Human Fertilisation and Embryology Authority (HFEA) is the UK's independent regulator of fertility treatment and research using human embryos and it oversees their safe and appropriate practice. HFEA works with international partners to compare best practice to influence UK policy development.

The UK was the first country to produce regulatory information for patients on the IVF 'treatment add-ons' offered by fertility clinics in the UK and worldwide. This includes safety information and a 'traffic light' rating system showing the robustness of evidence for whether the offered 'extras' are likely to improve a patient's chance of giving birth. HFEA's rating system has benefited UK patients by improving transparency about the effectiveness and safety of treatments on offer.

The HFEA collaborates with the Victorian Assisted Reproductive Treatment Authority (VARTA) and academics in Australia who are reviewing high quality evidence around

<sup>&</sup>lt;sup>11</sup> Reports can be found at <u>https://www.gov.uk/government/groups/regulatory-horizons-council-rhc</u>.

treatment add-ons. HFEA's ratings system has inspired them to launch <u>VALUE study</u>, an independent research project interviewing fertility patients, doctors, and embryologists in the UK and Australia to better understand peoples' choices and decisions around the use of add-ons. This will inform the HFEA's review to improve the 'traffic lights' ratings system and usefulness of information that patients receive.

HFEA has also drawn on VARTA's experience of providing professional counselling support to people who have received unexpected information around genetic relatedness and donor conception. Their experience has informed the HFEA's development of information and resources for donors and donor-conceived people in the UK who may be seeking to make contact. It has also informed how HFEA engages with providers of commercial genetic testing and matching services. HFEA has successfully encouraged these services to consider how users could be affected by donor conception issues and to enhance their warnings about unexpected information, such as signposting to support.

### UK regulatory leadership

### The UK's regulatory system

The UK is considered a global leader in regulatory delivery, policy and governance. It continues to perform highly in IAs and PIRs in the OECD's Regulatory Policy Outlook, as compared to the 38 OECD member countries measured in the triennial <u>Indicators of Regulatory Policy and Governance (iREG)</u> survey.

This demonstrated the UK government's robust, systematic, and transparent application of core regulatory practices. It also shows the depth and thoroughness of our regulatory policy documents, such as the Better Regulation Framework which provides comprehensive advice on the UK regulatory development process.

The UK government's plans to renew the UK's regulatory framework will enhance our recognised regulatory system even further. Under the UK government's five regulatory principles <sup>12</sup>, it will continue to aim for and maintain the highest regulatory governance standards and practices in the world to ensure that when regulation is used it achieves public policy objectives and is a force for good for the UK economy.

"Our regulatory system is recognised globally. We want to raise the bar even higher as we embrace our new found freedoms outside of the EU and position ourselves as a global hub for innovation and a science and technology superpower" – <u>The benefits of Brexit</u>.

<sup>&</sup>lt;sup>12</sup> The five principles that underpin the UK Government's approach to regulation are: a sovereign approach, leading from the front, proportionality, recognising what works and setting high standards at home at globally. More information on the five principles can be found in <u>The benefits of Brexit paper</u>.

### Influencing internationally in the UK's interest

The UK possesses world-leading technical knowledge and expertise in a number of rapidly evolving areas, including emerging technology and data. We will harness these assets, building on our first-mover advantages to shape a progressive international regulatory environment that benefits business and citizens at home.

We will engage positively in regulatory diplomacy across the world to lead in multilateral settings, influence the decisions of others and help solve problems that require a global approach. The Regulatory Diplomacy initiative will develop greater coherence and capability to influence regulations, standards and norms internationally in the UK interest and deliver our priorities.

"Our success will depend on our ability to benefit from a first-mover advantage and put UK expertise at the forefront of international standardisation through engagement in the relevant international fora, as well as our ability to forge strategic alliances and partnerships with other countries" – <u>Standards for the Fourth Industrial Revolution: action plan</u>

### Engaging multilaterally on better regulation

The UK is represented at the OECD's Regulatory Policy Committee (RPC) through its membership on the RPC Bureau. Our membership enables us to collaborate with other member countries and showcase examples of the UK government's good regulatory practices and innovative regulatory solutions.

The UK supported the OECD's work to develop best practice principles "Agile Regulatory Governance to Harness Innovation", which reflect the UK government's approach on innovation friendly regulation. This was adopted as a <u>recommendation</u> by the OECD Regulatory Policy Committee and was published in October 2021. It also supported the development of the OECD's IRC best practice principles and is part of the OECD's steering group on IRC.

Similarly, the UK proactively contributes towards the work of the World Economic Forum, in particular through the <u>Global Futures Council on Agile Governance</u>.

#### Case study: British Standards Institution – the Commonwealth Standards Network

Supported by UK government, the Commonwealth Standards Network (CSN) managed by British Standards Institution (BSI), aims to increase its members' technical and institutional capacity to use and participate in the development of international standards. International standards play an important role in promoting productivity and efficiency, reducing costs, removing barriers to trade, and driving economic growth. As such, the CSN is especially relevant to National Standards Bodies (NSBs) from Commonwealth nations that are looking to boost their international trade capabilities. More than 95% of Commonwealth member states are participating CSN members, which account for 99% of intra-Commonwealth goods exported.

#### International capacity building on good regulatory practices

The UK is committed to supporting partners across the world bilaterally on developing the mechanisms to promote good regulatory practices. Due to our global reputation for good regulatory practices, the UK is regularly approached to provide advice and expertise on regulatory management tools, such as IAs and PIRs processes.

The UK has played a leading role in drafting the Commonwealth Good Regulatory Practice Principles (GRPPs) to support the Commonwealth's ambition of increasing intra-Commonwealth trade and investment. GRPPs are internationally recognised practices that promote transparency and predictability, which help to foster an enabling environment for businesses.

# Case study: Office for Product Safety and Standards (OPSS) – ASEAN Regulatory Reform Technical Assistance Programme

OPSS International has over ten years of international experience delivering technical assistance to over 40 countries to support improvements to their regulatory environments to stimulate trade, investment and economic growth. In partnership with the FCDO, OPSS International has led a technical assistance programme in ASEAN for a number of years, working bilaterally with the governments of Indonesia, the Philippines and Vietnam.

Support has included bespoke training to build regulatory capacity, advice to leaders on regulatory reform initiatives and ongoing support with implementation and delivery of regulations. OPSS International has utilised its expertise to directly support the successful design and implementation of numerous regulatory reforms, including the Philippines's Good Regulatory Principles, Indonesia's reforms to risk-based licensing and business consultation and engagement reform in Vietnam.

### Part 4: IRC Strategy actions

Following the publication of the IRC strategy, the BRE will begin or continue to deliver on the following actions. The BRE will:

- Champion best practice, and support and encourage policymakers to better consider IRC.
- Convene a network of government departments, devolved administrations, regulators, standards bodies and national quality infrastructure institutions to hold deep dives into our IRC efforts and share expertise and resources on IRC opportunities and initiatives. This will help to ensure we are extracting best practice and lessons learned from our IRC initiatives.
- Socialise the IRC toolkit across government departments and regulators to increase understanding of practical application of IRC during policymaking, and encourage the devolved administrations to do the same in their areas of competence.
- Maintain the BRE Curriculum which is used to support partner countries to build capability in good regulatory practices and regulatory cooperation.
- Support government departments to consider the efficacy of alternatives to regulation before pursuing regulatory measures.
- Continue to play a leading role in the Agile Nations network to collaborate on innovative regulatory approaches to new technologies.
- Continue seeking to embed and implement good regulatory practices and regulatory cooperation (GRPRC) in future trade agreements with our trading partners to minimise negative impacts on businesses via red tape or non-tariff barriers.

Other government departments will also play a role in delivering actions:

- FCDO will work across government to engage in robust regulatory diplomacy by shaping and influencing global norms, regulations and standards that span the UK's national economic and security interests.
- DCMS will continue to work to shape the development of digital technical standards for priority technologies, including by representing the UK at key standards developing organisations, and continue leading HMG policy on digital technical standards.

# Annex A: intergovernmental and international organisations that engage in legislative, regulatory or standards-setting activity

This list of intergovernmental and international organisations is based on existing UK government engagement and responses received from the IRC strategy call for evidence. It is not an exhaustive list.

### Aerospace

Inter-Agency Space Debris Coordination Committee (IADC) United Nations Office for Outer Space Affairs (UNOOSA)

### Agriculture and environment

EPA Network Food and Agriculture Organization (FAO) International Water Association (IWA) OSPAR

### Construction

Architects' Council of Europe (ACE) European Network of Architects Competent Authorities (ENACA) International Fire Safety Standards (IFSS)

### Energy

Council of European Energy Regulators (CEER) International Atomic Energy Agency (IAEA) International Confederation of Energy Regulators (ICER) International Offshore Petroleum Environment Regulators (IOPER) International Regulators' Forum (IRF)

### Finance

International Association of Gambling Regulators (IAGR) International Association of Insolvency Regulators (IAIR) International Organisation of Pension Supervisors (IOPS) International Organization of Securities Commissions (IOSCO) International Auditing and Assurance Standards Board (IAASB)

#### Health and medical

International Coalition of Medicines Regulatory Authorities (ICMRA)

International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH)

International Medical Device Regulators Forum (IMDF)

#### Legal

International Conference of Legal Regulator (ICLR)

#### Telecommunications

Body of European Regulators for Electronic Communication (BEREC) Commonwealth Telecommunications Organisation (CTO) European Conference of Postal and Telecommunications Administrations (CEPT) European Telecommunications Standards Institute (ETSI) International Institute of Communications (IIC) International Telecommunication Union (ITU)

#### Trade

International Hallmarking Convention International Organization of Legal Metrology (OIML) United Nations Conference on Trade and Development (UNCTAD) United Nations Commission on International Trade Law (UNCITRAL) World Customs Organization (WCO)

#### Transport

International Civil Aviation Organization (ICAO) International Maritime Organization (IMO)

#### **Multi-sectoral**

European Committee for Electrotechnical Standardization (CENELEC) European Committee for Standardization (CEN) International Accreditation Forum (IAF) International Electrotechnical Commission (IEC) International Laboratory Accreditation Cooperation (ILAC) International Standards Organization (ISO) Organisation for Economic Co-operation and Development (OECD) United Nations Economic Commission for Europe (UNECE) World Bank Group World Health Organization (WHO) World Trade Organization (WTO)

# Annex B: potential markets and sectors for international regulatory cooperation

This list includes possible markets, sectors and technologies where IRC may contribute to setting the right regulatory environments that harness their full potential. It is based on published UK government strategies and responses received from the IRC strategy call for evidence. It is not an exhaustive list; IRC can be effective in all markets and sectors.

Advanced manufacturing Advanced nuclear technology Artificial intelligence Critical minerals Cyber **Digital economy** Distributed ledger technology (DLT) Fusion energy Life sciences Low carbon technologies Quantum Robotics and smart machines Science research and development Space and satellite Synthetic biology Wireless communications, including 5G/6G and WiFi

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