Department for Science, Innovation & Technology

To: Peter Kyle MP, DSIT Secretary of State
From: Big Tech Unit
SCS Clearance: Jenny Hall (Director, Digital Economy and Data Policy)

Meeting Brief: Sir Nick Clegg (President, Global Affairs, Meta)

09 July 2024 | 19:20-1950 | Virtual

Meeting attendees:

- Peter Kyle, Secretary of State, DSIT
- Sir Nick Clegg (President, Global Affairs, Meta)

Official(s) attendee(s):

- Emran Mian, Director General Digital Technology and Telecoms, DSIT

Agenda:

1. Introductions
2. Meta in the UK
3. Recent Meta-HMG engagement on election integrity
4. Online / Child safety
5. [If raised]: Policy issues

Purpose: To outline the Government's vision for science and technology, and to build a trusted relationship in your capacity as Secretary of State with one of HMG's most strategically important stakeholders.

Context: You agreed to meet Meta in your role as primary contact minister for the five Big Tech companies, and this is likely to be the first in a regular series of meetings with Nick.

Previous and upcoming engagement: Meta had regular engagement with the previous DSIT Secretary of State and ministers and with senior officials, on a range of policy issues. For example:

[redacted]

2. **May 2024:** Nick Clegg (President, Global Affairs, Meta) attended the Bletchley AI Safety Summit in and the AI Seoul Summit.

3. [redacted]
4. **March 2024** – Former DSIT Secretary of State and Home Secretary met with Nick Clegg (President of Global Affairs) to discuss child safety.
5. **January 2024** Former DSIT Secretary of State met with Joelle Pineau (VP AI Research, Meta) as part of a trip to Canada.

Minister’s note page [Officials please leave this section blank]

Meeting Brief

Objective & Handling:

- Thank Meta for meeting you today.
- Stress the importance of a productive working relationship with the company to deliver against HMG's objectives and missions.
- Express your desire to lead the relationship with Meta on behalf of the whole of government, acknowledging that some policy-specific conversations may be led by your colleagues.

Key points to raise:

Agenda Item 1 – Introductions:

- Stress your desire to engage regularly with Nick, as well as his US-based colleagues.

Agenda Item 2 – Meta in the UK:

- Invite Nick to set out Meta's presence in the UK and their priorities for this government.

Agenda Item 3 - Recent HMG-Meta Engagement on Election Integrity:

- **Thank** Nick for Meta's constructive engagement with DSIT before and during the general election. DSIT appreciated the collaboration and responsiveness from Meta's UK team to protect the integrity of the general election from information threats.
- **Stress** that we want to maintain this constructive engagement moving forward, as we evaluate the threats observed in the UK and in elections around the world and identify how government and platforms can work together to tackle this shared challenge.

Agenda Item 4 – Child Safety

- **Underline** your commitment to bringing the Online Safety Act implementation forward as quickly as possible, and to exploring further measures to keep everyone safe online.
- [redacted]
- **Emphasise** that child safety is a key priority for both you and the Home Secretary, and that you are both committed to working constructively with Meta on this important issue.

Background:

- [redacted]

[Please do not delete the page break between this and the next section]

[Please keep this section (Lines to take + background) to no more than a page]

[If raised] Investigatory Powers (Amendment) Act

To note: Meta have previously raised the IP(A) Act in prior meetings with DSIT Ministers and Nick may ask for an update on its implementation.

- **Note** that decisions regarding the forthcoming implementation of the Investigatory Powers (Amendment) Act and its accompanying public consultation will also be made by the Home Secretary in due course.

Background:

- **Investigatory Powers (Amendment) Act:** The IP(A)A received Royal Assent on 25 April 2024. The Act makes targeted urgent amendments to the Investigatory Powers Act 2016 to ensure that it remains fit for purpose in the context of rapid technological advances. The changes of most significance to Big Tech include a new requirement for companies to pause rollout of any new products or systems that are subject to a notice during the review period, as well as the introduction of a requirement for companies to notify the Home Secretary if they are making a change to their products or service that would negatively impact lawful access. The previous government committed to launching a public consultation on these measures, but it was postponed owing to the General Election.

[If raised] Online Fraud:

- **Emphasise** that tackling online fraud is a priority for the government.
- **Note** that the Online Safety Act will, at a minimum, require Meta to tackle user-generated online fraud across its services.
- **Enquire** about what action Meta is taking across its services to protect users from online fraud, in advance of the relevant duties in the OSA coming into force.

Background:

- The Online Safety Act provides comprehensive online safety regulation.
- Ofcom is now the independent regulator of Online Safety. It will set out steps providers can take to fulfil their safety duties in codes of practice. Ofcom published consultations on codes for tackling illegal harms in November 2023 and on codes for children's safety duties in May 2024. We expect the illegal harms code to be in effect by early next year with the child safety code following later in 2025.
- **Online Fraud:** Under the Online Safety Act, all user-to-user services will be required to proactively prevent users from being exposed to user-generated fraud. Category 1 services, [redacted], will additionally be required to prevent users from being exposed to paid-for fraudulent advertisements. Facebook and Instagram are also signatories of the Government's Online Fraud Charter, published under the previous government, where they committed to tackle online fraud.

[If raised] Artificial Intelligence:

Handling objective:

To build a positive and constructive relationship with Meta and to increase a collaborative working relationship within the AI space. In addition to building on the existing engagement foundation between HMG and Meta.

Additional lines to take:

- [redacted]
- We're thinking seriously about driving progress, including through both regulation and opportunities. It will be important that our AI policy, including potential regulation, is informed by the expertise and input from stakeholders across the AI sector. We have committed to ensuring the safe development and use of AI models and want to work closely with Amazon as we develop our proposals moving forwards.
- We see AI opportunities in terms of growing the sector and boosting delivery of public services. Where do you see opportunities for growth of the UK sector? And do you have any specific thoughts on how we can use AI to support the Government's missions?

Background:

- The UK has significant potential to grow its role in Meta's AI ambitions**.** The company already has more employees in the UK than anywhere else in the EMEA region.
- Thank Meta for the work they have done in developing an approach to election security and safeguarding.
- [redacted] The London team has specialisms in natural language processing (NLP), 3D computer vision and reinforcement learning.
- [redacted]
- Meta has recently announced a new WhatsApp feature which allows for AI photo editing, image modification within the app. This feature will allow Meta AI to interact with photos shared by users to reply to photos and edit them.

[If raised] Digital Markets, Competition and Consumers Act

Additional lines to take:

- **Note** Labour's support for the DMCC Act whilst in opposition, which received Royal Assent on 24 May.
- **The government is working closely with the CMA to start implementation of the new digital markets regime later this year.** DSIT and DBT will be leading this work, which will include laying the necessary secondary legislation and approving the CMA's guidance for how it will operate the regime in practice.
- **Encourage** Meta to engage proactively with the CMA as they implement the regime. The CMA is consulting on its guidance until 12 July.

Background:

Digital Markets, Competition and Consumers Act 2024

- **The Digital Markets, Competition and Consumers (DMCC) Act 2024** created a new, pro-competition regime for digital markets. This gives the Competition and Markets Authority (CMA) new tools to address both the consequences of entrenched market power and its root causes.
- **We expect the regime to be operational later this year.** You will receive further advice on implementation in the coming weeks.
- **The regime is deliberately targeted at only the most powerful firms.** The CMA will carry out investigations to determine whether a firm should be in scope of the regime and designated with 'strategic market status'. To be designated, the DMU will consider whether a firm has substantial and entrenched market power and occupies a strategic position in the market. If designated, the CMA will design bespoke rules for each firm to manage the harmful effects of their market power. Where there is proven competition harm, the CMA may use pro-competition interventions to address the root causes of that market power.
- The regime has strong stakeholder support, including from challenger tech firms [redacted] publishers and consumer groups, who are calling for its swift implementation. Big Tech firms were broadly supportive but raised concerns on specific elements of the regime throughout parliamentary passage. Big tech have also called for longer public consultation timelines in implementing the regime.
- [redacted]

ANNEX A: BIOGRAPHIES

Sir Nick Clegg, President, Global Affairs, Meta	
• Sir Nick joined Meta, then called Facebook, in 2018 as its head of its global affairs and communications team. In 2022, he was promoted by Zuckerberg with a renewed focus on policy and regulatory issues. • During his time at Meta, Sir Nick has spearheaded the establishment of Facebook's independent content oversight board, and recently defended the company against the accusations of whistleblower - and former employee - Frances Haugen, who claimed the social media site put profit before user safety. • Sir Nick served as a Member of the European Parliament from 1999 to 2004. He was elected as a Liberal Democrat MP in the 2005 general election. He became the leader of the Liberal Democrats in 2007 and following the 2010 General Election, he was made Deputy Prime Minister after a coalition deal with the Conservative Party.	

ANNEX B: COMPANY BACKGROUND

Meta Platforms Inc builds hardware, applications and services that connect businesses to customers and users to communities. Meta has considerable reach through its 'Family of Apps' (Facebook, Messenger, Instagram, WhatsApp and Threads) and derives 99% of its revenue from advertising-related services. Meta Platforms has also positioned itself as a market leader in Virtual/Augmented Reality, and develops some of the world's most widely-used open-source AI models.

Company overview:

- As of 27 May 2024, Meta was the **7th most valuable company with a market cap of $1.31 trillion.** Meta made **$134.9 billion in global revenue** (up 15.7%) in 2023, which is comparable to the **nominal GDP of Slovakia ($140.8bn)**
- Meta totalled **$2.9 billion in UK revenue** (up 57%) in 2022. **London is Meta's second-largest tech hub,** behind its headquarters in California. In late 2022, Meta reported **7,055 employees** across its UK subsidiaries, the majority of whom (4,746) were engineering staff.
- Meta is one of the **top ten R&D investors in the world**, with $38.5 billion invested in 2023 (up 9%), and capital expenditures of $28.1 billion (mainly data and AI compute infrastructure). R&D expenditure in the UK stood at £1.87 billion in 2022 (up 62%), which was the highest reported figure amongst Big Tech companies.
- In 2022, Meta opened its **new UK headquarters, an investment valued at £1bn**. The company also operates a video game studio in Leamington Spa.
- Meta has considerable reach through Facebook, Instagram and WhatsApp. 2023 survey data suggests that **WhatsApp is the most active social network, reaching 79% of UK internet users, followed by Facebook** with 73%, Facebook Messenger with 60.1% and Instagram with 59.7%.

Recent opportunities and challenges:

- Meta is one of the UK's biggest R&D investors and software engineering employers. There is significant potential to strengthen the relationship around discussions of AI policy and investment, and R&D priorities, including in emerging technologies like Augmented Reality (AR).
- There is also an opportunity for increased engagement with Meta senior executives, including on the company's AI work and their support for the growth agenda. Meta's advertising and communication tools play an important role in connecting small and medium-sized businesses to customers locally and globally.
- [redacted]

- [redacted]