Sources	KPMG
Date	August 2020

Potential scale of impact	Certainty of outcome	Impact horizon
★★★★	★★★★	H1 H2 **H3**

Data is the fuel of AI and - as such - holds a central position in the debate of whether AI requires an AI specific regulatory framework. Existing data protection legislation around the world already offers some protection to personal data, but all too often businesses overlook it when developing their AI, opening themselves up to significant sanctions, and worse, erosion of customer trust.

To lead in a world where where trust is the most valuable commodity, businesses need to go above minimum legal standards by embedding legal and ethical controls as they develop their AI from the outset. There is currently no AI specific legislation in the UK because laws have to be technology agnostic.

The UK can expect new regulations to emerge in the coming years that will have an impact on AI, meaning businesses need to ensure they are ready. It is too late to wait until regulation dictates certain controls or compliance - businesses need to plan ahead and build compliance into their design. This is not only a regulatory matter - customer trust can be damaged long before regulators apply sanctions to businesses, and not only will compliance with the laws be enough to gain this trust, but also ethics and good business practices will play a main role in the future of AI.

In a 2020 thought piece, KPMG identifies 6 key areas it believes will be the focus for upcoming regulation around AI.

- Accountability
- Transparency
- Data protection
- Safety, security and human oversight
- Ethics
- Fairness

Businesses need to consider each of these when developing their AI solutions.

SPOTLIGHT ON REGULATION

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