

The Global Ripples of Emerging Regulation

Unpacking current EU regulatory trends and their impact in emerging markets

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Scene setting

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Scene setting...



Topics of discussion

- Privacy
- Online Harms and Platform Liability
- Cyber Security and Digital Operational Resilience

- Al Regulation
- Anti-Trust Considerations
- Suggested approach to market expansion exposure management
- Q&A



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We'll be talking about the "Brussels Effect". Which of the following EU laws do you think will have the most profound global effect?

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Privacy

Key points from EU/UK

- Regulatory trends
- Data export challenges post Schrems II
- New UK law

Emerging market perspectives

- The nature of emerging privacy law across Middle East and Africa
- GDPR as the "gold" standard?
- "Adequacy" obsession

Disputes landscape?

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Privacy

- Data increasingly valuable relative to tangibles. Drives disputes
- CAT in UK used for opt-out class action. Abuse of dominant market position
- CJEU confirmed competitors can pursue civil claim re breach of GDPR

Online Harms and Platform Liability

Key points from EU/UK

- Evolving definitions of online harms
- Liability of platforms for user-generated content

Emerging market perspectives

- No equivalent legislation but plenty of emerging law
- Changes are not purely driven by user safety concerns

Disputes landscape?

- New Product Liability Directive (PLD) / some EU jurisdictions receptive to anxiety damage
- Civil/criminal combined actions blur lines. VW damages for moral outrage. <u>Anxiety damage</u> <u>podcast</u>
- EU & UK growing imposition of liability for online platforms

Online Harms and Platform

Cyber Security and Digital Operational Resilience S Cyber security

Key points from EU/UK

- Regulatory focus on digital operational resilience and cyber security
 - o DORA
 - o NIS2
 - o CRA
- Sector specific but with broader impact

Emerging market perspectives

- Binding legislation vs voluntary codes of practice
- Tighter material outsourcing rules

Disputes landscape?

- Increased regulation = more expectation = more enforcement = more civil action, particularly where privacy issues
- Representative Actions
 Directive fuelling EU class
 actions. Ireland cautious not
 to discourage tech
 companies.

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What is the projected size of the contribution to the global economy of AI by 2030?

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AI Regulation

Key points from EU/UK

- The EU's approach to AI regulation
- A changing approach to regulation in the UK

Emerging market perspectives

- Hybrid regulators
 - AI Nationalism

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Binding legislation vs voluntary codes of practice

Disputes landscape?

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Al Regulation

- Key focus of new PLD and PLD/AI Act entwinement
- Liability complex when is AI 'defective' / will regulatory non-compliance = civil liability?

Anti-Trust Considerations

Key points from EU/UK

- The importance of maintaining market competition
- UK CMA focus on Al Foundation Models

Emerging market perspectives

- Laws generally inspired by EU core elements
- Increasingly active competition authorities (but not inspired by EU)

Disputes landscape?

- UK CAT massive growth. Litigation funder/plaintiff firms capitalising. *Le Patourel v BT* – judgment expected this year in UK – first opt-out class action
- EU enhanced regulation to reduce scope for anticompetitive behaviour. Bold authorities and civil damages regimes

Anti-Trust Considerations

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Will Emerging Market AI regulations draw most inspiration from:

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Suggested approach

Market expansion exposure management

Baseline assessment of applicable EU regulations to specific business prior to expansion

Recalibration of legal and regulatory checklists for market expansion Strategies for managing risk and ensuring compliance in unfamiliar markets – make no assumptions!

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Market Expansion

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Questions







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