

## Digital Regulation Cooperation Forum workplan 2021/22: comments submitted by IAB UK

### General comments

In our submission to the Digital Markets Taskforce call for information in July 2020, we welcomed the establishment of the DRCF and its commitment to closer working between regulators. We encouraged the DRCF to provide transparency to the sector about workstreams, process, and plans for industry engagement.

The recent publication of the DRCF plan of work and priorities, along with the commitment to publishing a further update and progress report next year, are therefore very welcome. We are particularly pleased to see the workplan's focus on coordination of regulatory approaches, and on transparent, efficient and joined-up industry engagement that considers stakeholders' needs. Much work to date has been private, between regulators, and this is an important step to ensure transparency and collective accountability of the Forum's work and establish a culture of ongoing, collaborative engagement with the industry and other relevant stakeholders.

The workplan invites comments and engagement on the DRCF's plan of work and on its priorities, and we are therefore submitting these comments on behalf of our members.

### Specific comments

#### Approach to engagement

- Digital markets are fast-moving, so stakeholder dialogue should have a sufficiently regular cadence to ensure the DRCF's deliberations are fully informed.
- Industry engagement should be broad, encompassing all players in the ecosystem. This could usefully mirror the engagement approach adopted by the CMA during its market study into online platforms and digital advertising market and, as with that engagement, it should include a safe space for competing firms in the ad ecosystem to engage with the DRCF in confidence.
- Engagement should be tailored and accessible to companies of all sizes, noting that many firms in the ad ecosystem are small and do not have well-resourced policy or legal teams, and that they may be located in other jurisdictions.

#### The UK's policy and regulatory goals for the digital advertising market

- The Secretary of State for Digital, Culture, Media and Sport has recently set out the need for regulation to operate in a way that also supports the UK's economic

goals. We welcome this approach. The statutory duties of all DRCF members should be aligned accordingly.

- The Government has also set out a comprehensive strategy for the pro-competitive regulation of digital markets to ensure that they function well, serve the interest of consumers and remain open to new entrants. The digital advertising market is facing particularly impactful challenges in the coming year, the outcome of which will shape outcomes for consumers and future competition in the market. It is important that the DCRF regulators fully understand the changes taking place in the market.
- Given this context, where the DRCF or its component regulators are undertaking work that is likely to impact on the digital advertising market, they should work together to ensure that they make timely decisions that support competition, user privacy, or other relevant goals.
- The timing and sequencing of the DRCF's work plan and priorities will require careful planning and coordination to support the UK's economic goals and competition. In addition, steps should be taken to avoid conflicting public statements and confusion for ad businesses. For example, the Digital Markets Taskforce has recommended<sup>1</sup> that the CMA be given powers to target action against online scams while the FCA and others suggest competing approaches.
- The DRCF should set a high threshold for market intervention with a bias towards specific and targeted interventions in order to avoid unintended impacts across the wider market. The design of interventions should be consultative and open to including self-regulation as a flexible, scalable and affordable alternative to statutory action for fast moving, cost-sensitive digital markets.

### International context

- The DRCF's workplan recognises the international context to many of the regulatory areas that fall within its scope, and the need to 'promote the consistent development of coherent regulatory approaches around the world'. We welcome the DRCF's commitment to continuing international engagement to that end, which is critical for companies in this sector, particularly in areas such as competition and data protection.

### Evidence-gathering

- As a complement to engagement with stakeholders, the DRCF should consider undertaking original research to inform consultations or calls for evidence, and decision-making about interventions or enforcement.
- Research could usefully focus, for example, on how different (consumer) stakeholder groups might balance privacy against the value of data-driven

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<sup>1</sup> [https://assets.publishing.service.gov.uk/media/5f9e7567e90e07562f98286c/Digital\\_Taskforce\\_-\\_Advice.pdf](https://assets.publishing.service.gov.uk/media/5f9e7567e90e07562f98286c/Digital_Taskforce_-_Advice.pdf)

services; the direct and indirect benefits of greater competition; and how different actors in the advertising supply chain collaborate to drive compliance with regulation and good outcomes for consumers, which is often necessary in interconnected ecosystems such as digital advertising, and how the design and implementation of regulation helps or hinders that effort.

### Interactions with the wider regulatory landscape

- The work plan proposes engagement with the ASA, with respect to the regulation of advertising content under the CAP code and its exploration of potential future work around the regulation of digital advertising. The DRCF should recognise the significant body of pre-existing self-regulation and industry standards for digital advertising. It will be important to plan for equivalent engagement with the bodies responsible for these schemes.
- Digital advertising is a scale industry and as a result, standards initiatives are increasingly developed at a global level, delivering benefits to advertising clients and consumers in the UK and adapted to local legal frameworks where necessary. A number of these are developed within the global IAB network, supported by IAB TechLab<sup>2</sup>, and by international groups such as TAG.<sup>3</sup> The DRCF should seek to engage with these groups and recognise their importance in the regulatory landscape.

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<sup>2</sup> <https://iabtechlab.com/>

<sup>3</sup> <https://www.tagtoday.net/>