

IAB UK submission to Communications and Digital Committee call for evidence on digital regulation

22 October 2021

Background

IAB UK is the trade association for digital advertising, made up of over 1,200 of the UK's leading media owners, advertising technology providers, agencies and brands. We have a [Board](#) comprised of 25 leading businesses in the sector. Our purpose is to build a sustainable future for digital advertising, a market that was worth £16.47bn in the UK in 2020.

The IAB is actively engaged in working towards the optimal policy and regulatory environment to support a sustainable future for digital advertising. We also develop and promote good practice to ensure a responsible medium.

Digital Regulation Co-operation Forum / regulatory coordination

While it is arguably too early to assess how effective the Digital Regulation Cooperation Forum (DRCF) is, having only been formally established in July this year, the IAB welcomed the establishment of the Forum, 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, and therefore welcomed the publication of its [2021/22 workplan](#), as well as its commitment to publishing a further updated and progress report next year.

We were 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.

In its [Plan for Digital Regulation](#), published July 2021, the Government commits to exploring further ways to ensure regulators are sharing resources, coordinating and improving the overall coherence of regulatory interventions. This includes assessing proposals put forward by the DRCF to improve information sharing between regulators and establish new duties for regulators to consult and cooperate with each other. The IAB would strongly support any efforts to these ends.

It is equally important that the roles and responsibilities of existing regulators are clearly defined to ensure they are working towards shared goals and any approaches they design and implement will deliver desired outcomes consistent with the principles set out in the Plan for Digital Regulation.

Beyond the subjects set out in its 2021/22 workplan, the DRCF has yet to publish any further detail on the specific work it is currently carrying out or intending to carry out, or specific timeframes associated with the work. Any more specific information from the Forum in this regard would be valuable and appreciated by industry, which continues to operate in an uncertain and moving regulatory environment.

Close cooperation between statutory regulators is essential in order to build a fulsome – and shared - understanding of the various different supply chains operating in digital markets, and to give due consideration

to the impact of exercising legacy powers. While there is a good level of knowledge among regulators about social media, understanding of the more complex open demand ecosystem which supports UK news publishing and other online services valued by UK consumers remains incomplete.

Keeping pace with developments / engagement

It is vital that individual regulators operating in the digital space, and the DRCF, keep pace with changes in the digital advertising market, and regular engagement with industry stakeholders is absolutely crucial to this. Digital markets are fast-moving, so stakeholder dialogue should have a sufficiently regular cadence to ensure the DRCF's or any regulator'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 design of any market interventions should be targeted, consultative and open to including self-regulation as a flexible, scalable and affordable alternative to statutory action for fast moving, cost-sensitive digital markets.