

IAPP UK Intensive 2026

Privacy | AI governance | Cybersecurity law

Training 23-24 February

Workshops 24 February

Conference 25-26 February

LONDON

#IAPPIntensive26

The Tethered Bottle Cap Effect

What the EU AI Act Actually Means for the UK



WELCOME AND INTRODUCTIONS



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AGENDA OUTLINE

1. What is the Tethered Bottle Cap Effect?
2. Does the EU AI Act apply in or to the UK?
3. What are the practical implications for UK-based organisations?
4. Building the business case and engaging internal decision makers
5. Is a de facto global standard emerging from the EU on AI regulation?
6. Is the AI Omnibus expected to have an impact?
7. Questions and Answers
8. Closing Remarks



What is the Tethered Bottle Cap Effect?



Reduces plastic litter

- Caps stay attached, preventing litter.



Improves recycling efficiency

- Bottle and cap are recycled together.



Enhances safety in nature

- Less plastic waste, safer for wildlife.



Supports regulations

- Meets EU single-use plastics rules.



What is the Tethered Bottle Cap Effect?

Leaky Caps, Messy Shirts!

- Attached caps can cause spills!
- Drips from the lid...
- Stains on your shirt!



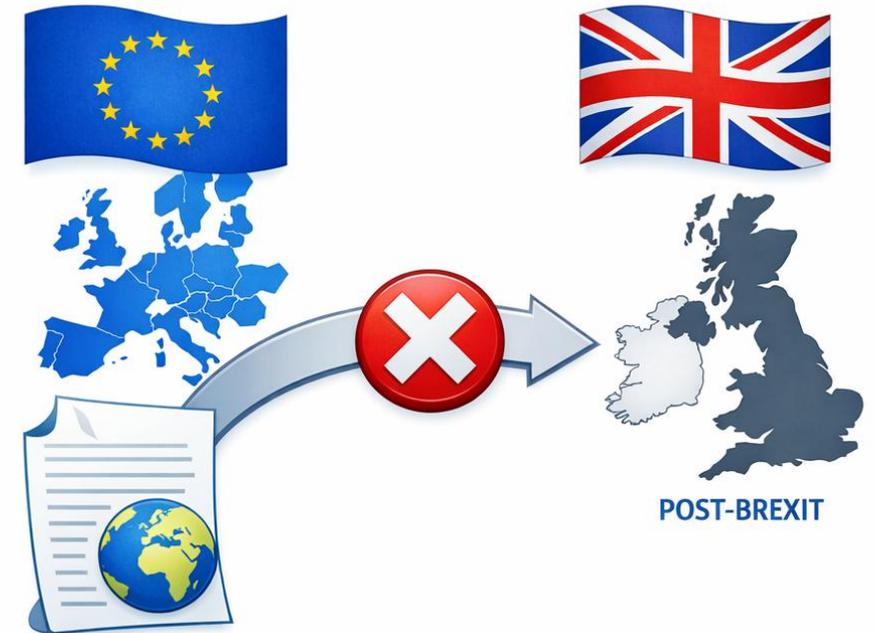
What is the Tethered Bottle Cap Effect?

- EU Single-Use Plastics Directive (Directive (EU) 2019/904)
- Applied across the EU from 3 July 2024
- The rules do not directly apply in the UK (post-Brexit effect)
- Streamlines production for both EU and UK markets
- Brands adopt them in the UK for environmental and recycling benefits



Does the EU AI Act apply to or in the UK?

- Not directly applicable in UK (post-Brexit effect)
- Extraterritorial application:
 - a UK provider places an AI system in the EU market
 - a UK provider's AI system is used in the EU
 - a UK provider or deployer's AI system's outputs are used in the EU
 - a UK co is distributor of an AI system in EU
- Providers may standardise on EU-compliant products to avoid fragmentation.
- Global firms may choose to follow one AI governance regime worldwide for simplicity.



Slido Question 1

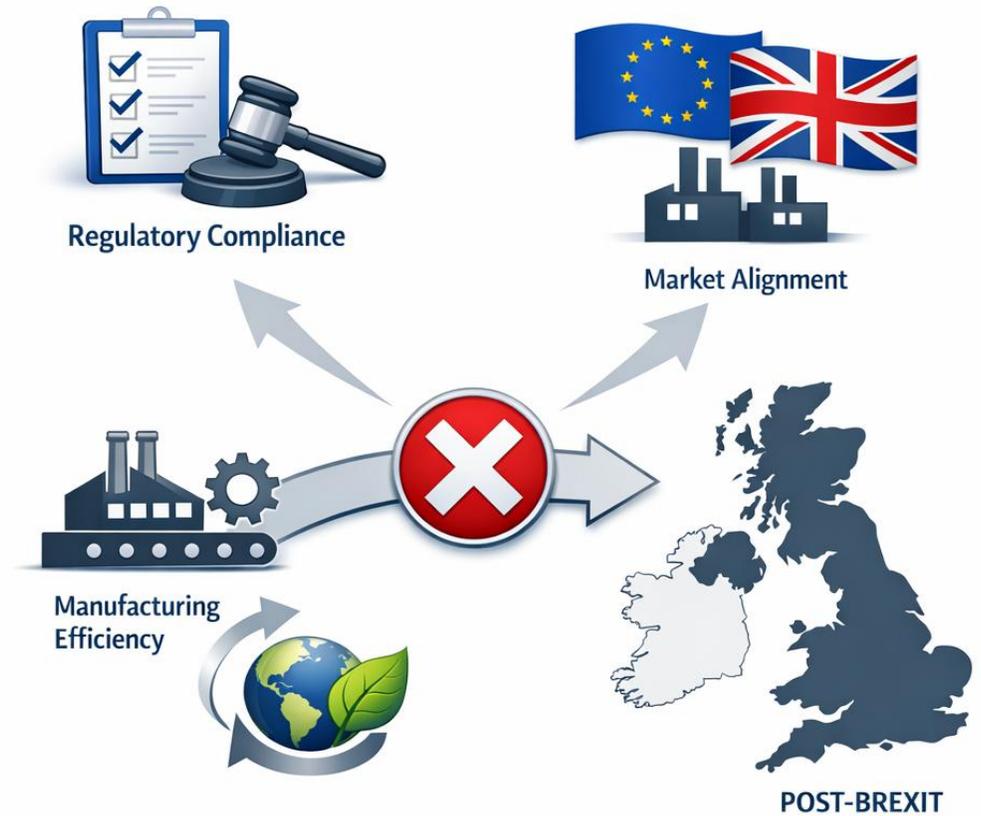
Is EU AI Act compliance a priority for your organisation?

1. Yes - it is a top organisational priority
2. Yes - it is a priority, but not the highest one
3. Not currently, but we expect it to become a priority
4. No - it is not a priority for our organisation at this time



What are the practical implications for UK-based organisations?

- Selling into the EU? Compliance becomes mandatory
- UK teams will face new demands from EU-aligned providers and deployers
- Procurement shifts: EU-compliant AI becomes a market advantage
- Non-EU-facing organisations may feel pressure from customers, partners and investors



Slido Question 2

Which practical challenge do you expect to be the biggest for UK organisations responding to the EU AI Act?

1. Identifying whether systems fall under “high-risk”
2. Managing cross-border compliance for EU-linked operations
3. Securing budget and leadership buy-in
4. Meeting technical/documentation requirements
5. Managing reputational risk and stakeholder expectations



Building the business case and engaging internal decision makers

- EU market access depends on alignment.
- Strong governance reduces failures, bias and outages.
- Early alignment is cheaper than fixing later.
- AI assurance supports multiple regulatory needs.
- Frame EU AI Act work as part of responsible AI and corporate social responsibility
- Early alignment accelerates innovation



Slido Question 3

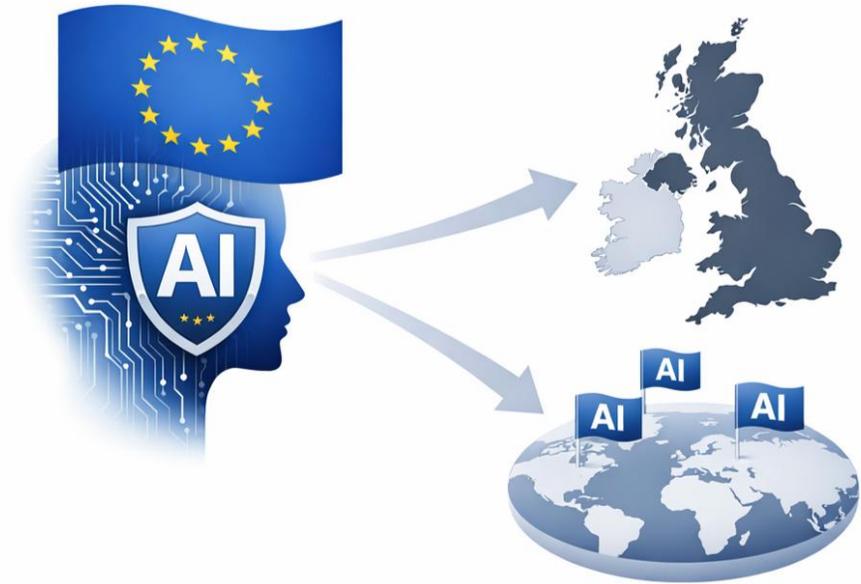
Should UK organisations proactively align with the EU AI Act even though they may not be legally required to comply?

1. Yes - for risk management and market alignment
2. Yes - to maintain customer trust and reputation
3. Maybe - depends on sector and exposure to EU markets
4. No - alignment is unnecessary without UK legal obligation



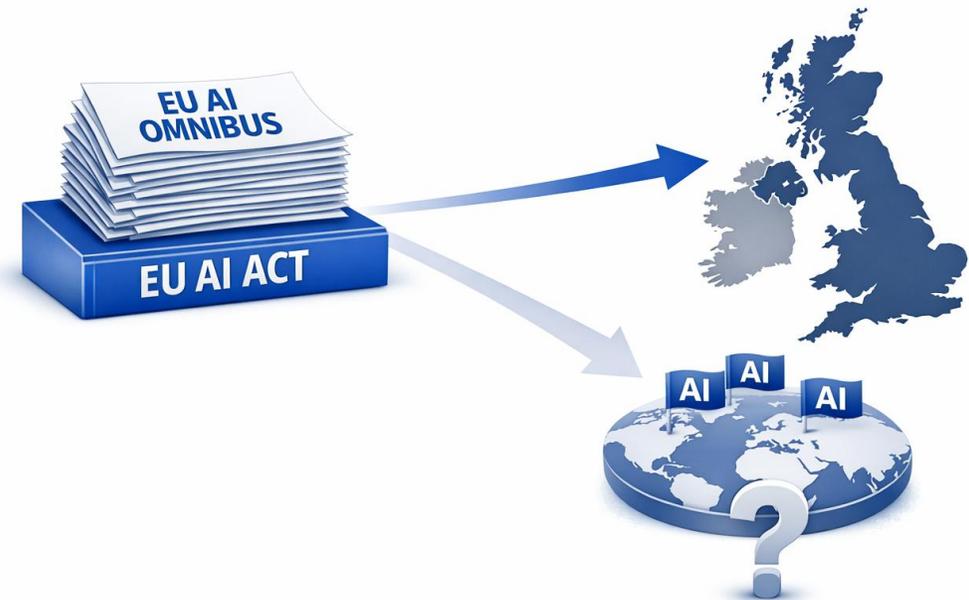
Is a de facto global standard emerging from the EU on AI regulation?

- The Brussels Effect frequently shapes standards, and the AI Act may fit that pattern
- Some global firms are reshaping AI governance around the Act
- However, alternatives and geo-political tensions are impacting AI Act's influence
- The UK can stay flexible, but industry may be gravitating toward EU-style guardrails
- The key question: can UK organisations truly tear off the EU tethered bottle cap?



Is the AI Omnibus expected to have an impact?

- Initiative within the EU Digital Omnibus Package to simplify the EU AI Act
- Aims to reduce administrative burden, improve legal clarity, and make the Act more practical to implement
- Primarily adjusts procedures and timelines
- No impact on territorial scope
- Impact on Brussels Effect?



Slido Question 4

To what extent do you believe the EU AI Act will shape AI governance in the UK, even without direct legal force here?

1. Not at all
2. Slightly
3. Moderately
4. Significantly
5. It will become a de facto standard



QUESTIONS & ANSWERS



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Slido Question 5

If the EU AI Act were a bottle with a tethered cap, how should UK organisations handle it?

1. Twist it around until it more or less works, just enough for compliance to stop sighing
2. Rip the cap off and insist that this doesn't apply to the UK anyway
3. Tilt the bottle at an awkward angle and hope nothing spills onto your existing AI systems
4. Accept the inevitable splash and be ready with a cloth and a plan



How Did Things Go? (We Really Want To Know)

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