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In collaboration with
Boston Consulting Group

The Regulatory Frontier: Designing the Rules that Shape Innovation

WHITE PAPER

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Foreword

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Regulation is no longer just a mechanism to safeguard markets; it has become one of the most powerful instruments for shaping how innovation unfolds. Around the world, societies are asking how rules can both protect and propel – how they can enable the responsible development of new technologies, accelerate progress and build trust in the systems that govern our daily lives.

In an era defined by rapid technological advancement, effective regulation must evolve from static control to dynamic enablement. Designed with foresight and collaboration, regulation can unlock innovation, encourage investment and ensure that emerging technologies serve people and the planet alike. Agile, transparent and trusted governance frameworks are not barriers to growth – they are catalysts that make innovation scalable, safe and sustainable.

This white paper explores how modern regulation can deliver these outcomes by design. Drawing from global case studies and the experiences of forward-looking policy-makers, companies and experts, it identifies the capabilities of next-generation regulators. These include: foresight to anticipate change, technical fluency to engage with complexity and openness to co-creating solutions with diverse stakeholders.

Ultimately, the purpose of regulatory innovation is to strengthen the foundations of trust that allow societies to progress confidently into a future where technology amplifies human potential, markets remain fair and inclusive, and governance becomes an enabler of shared prosperity.

As innovation accelerates, the challenge and opportunity before us is to treat regulation as design power – a living system that evolves through evidence, experimentation and collaboration. Regulation can no longer trail innovation – it must build the runway for it, guiding progress while safeguarding integrity, safety and inclusion.

Across the world, forward-looking governments are proving that wise regulation does not slow change. Rather, it accelerates progress by providing clarity where uncertainty prevails and translating public purpose into practical pathways for innovation to scale responsibly. When regulation learns by design, innovation becomes safer, faster and more productive, creating the conditions for a more trusted and equitable global economy.

Developed jointly by the **World Economic Forum**, the **Government of the United Arab Emirates** and **Boston Consulting Group (BCG)**, this paper represents the first deliverable of the **Global Regulatory Innovation Platform (GRIP)**. It establishes the foundation for a forthcoming series of initiatives, including the **Global Regulatory Playbook**, **Regulatory Future-Readiness Index**, **Global Regulation Forum** and **Intelligence Hub**. These are designed to offer practical solutions, enable benchmarking and collectively demonstrate how regulation, when crafted with foresight and collaboration, can serve as a powerful engine of competitiveness, trust and progress in the intelligent age.

Executive summary

Regulation must evolve as quickly as technology does – shifting from constraint to catalyst to enable innovation, trust and competitiveness.

Regulating innovation has never been simple, but it has become one of the defining challenges of leadership. The speed and scale of technological change now exceed the ability of most regulatory systems to adapt, widening the gap between technological progress and public policy.

Regulation that evolves with innovation becomes an engine of confidence and growth. Clear and predictable rules attract capital and talent, enable responsible experimentation and build the trust that allows new technologies to take root. In fast-developing fields such as artificial intelligence (AI), the quality and agility of the regulatory model increasingly determine a country's competitiveness and global influence.

Policy-makers must treat regulation as a strategic lever for shaping technological development – not just to contain its risks, but also to create the conditions for new ideas to develop and scale safely. The design of regulation will determine how quickly new ideas reach markets and how widely their benefits are distributed.

Delivering this vision depends on five dimensions of regulatory design: defining legal perimeters for emerging technologies, creating mechanisms for learning and adaptation, ensuring that rules open markets to new entrants, building enabling infrastructure where foundational systems are missing, and embedding provisions that allow regulation to adapt over time. Done well, regulation becomes productive, balancing stability and innovation to shape two outcomes leaders care about: where growth concentrates and whether it earns public trust to scale.

Different contexts demand different regulatory pathways. Regulators typically pursue three routes: adapting existing frameworks, rebuilding entire regulatory structures and harmonizing with international standards. Adaptive approaches refine rulebooks to accommodate new technologies. Systemic approaches replace obsolete frameworks with new legal arrangements that enable growth. Standards-based approaches align domestic regulation with global benchmarks to ensure interoperability and cross-border recognition. Countries may combine these pathways across sectors to suit priorities – adapting where incremental change suffices, aligning where international consistency matters and rebuilding where transformation is essential.

This calls for a new generation of regulators with three capabilities: foresight to anticipate technological shifts and market implications, technical depth to understand complex systems and craft proportionate rules, and the confidence to collaborate with innovators, experts, industry bodies and consumers to test and refine them. Increasingly, regulators will work as networked organizations, linking expertise through shared learning and data.

For chief executive officers, five moves matter now: reading the regulatory path early, building trust as a product feature, shaping standards through collaboration, differentiating above the rails, and designing compliance for scale.

The coming decade will test whether countries can align technological change and governance fast enough to stay competitive. Regulators that act early to design clear, adaptive rules, and companies that treat regulation as a strategic priority, will shape the standards, trust and markets of the future. Those who wait will compete on others' terms. The window for leadership in regulatory innovation is open now; those who act first will set the direction of global innovation and competitiveness.

Introduction: The new competitive battleground

Building the infrastructure of innovation and aligning it with trust will determine who leads the next era of growth.

When Brazil's Central Bank, Banco Central do Brasil (BCB), launched Pix, a nationwide instant payment system, in 2020, it made a deliberate regulatory decision to **build public payment rails where the market had not done so**. Payments were costly and fragmented, so the BCB designed and operated a 24/7 instant payment platform open to all licensed institutions. Mandatory participation by major banks ensured reach, while open standards and minimal fees promoted inclusion and competition.

Within a year, Pix had become Brazil's dominant retail payment channel, with over 150 million registered users, demonstrating how regulators can act as platform stewards when the foundational infrastructure is missing.[1] The model also highlighted a governance challenge – how a regulator can drive change and oversee the system it governs while preserving neutrality and trust. Few markets have matched this pace of adoption; BCB acted as a catalyst, setting the direction, building shared rails and moving the market players in one direction.

Pix is not just a payment reform. In today's economy, **regulation functions as infrastructure** – its architecture determines how fast innovation scales, where capital flows and which countries set the standards that others must follow.

However, **most regulatory systems were built for a different era** of stable products, national markets and linear change. Today's technologies – and cross-sectoral and national boundaries – evolve continuously, leaving static rulebooks struggling to keep pace. The result is a widening gap between innovation and policy, where outdated regulation risks either slowing growth or ceding influence to faster-moving jurisdictions.

The tensions are intensifying. New technologies, such as artificial intelligence (AI), biotechnology, quantum computing and autonomous systems, are advancing faster than existing regulations. A handful of technological and pharmaceutical giants dominate markets once governed nationally, prompting governments to reassert their authority. Global data flows and supply chains have made purely national rulebooks obsolete, while repeated privacy breaches and misinformation crises have eroded confidence in self-regulation. At the same time, regulation itself has become a tool of geopolitical competition as the European Union, the US, China and other rising powers vie to set global norms. Innovation presents both opportunities and risks simultaneously, making regulatory design a central element of economic resilience.

Speed alone is not the answer. It's important to move quickly to regulate innovation, but doing so without adequate safeguards is bound to invite backlash in the form of bans, financial or legal delays and political pushback. That could set innovation back even more than doing nothing would have. At the same time, the guiding philosophy shouldn't be deregulation per se, but to design systems that keep pace with the speed of innovation while maintaining public safety and trust.

Getting the timing right is critical. Regulators need to act early enough to shape emerging markets, yet design rules can evolve as evidence accumulates. Setting rules too late or locking them in too rigidly can hinder innovation and lead to costly revisions. Constant shifts, however, create uncertainty that stalls investment. What matters is predictable evolution – clarity about what will be reviewed, when and why. The most effective regulations grow through dialogue, testing, feedback and refinement, and are developed with the market, not imposed on it.

Pix is not an isolated case. In every major sector, from finance to health and mobility, the same challenge is emerging. **Regulators are under pressure to adapt frameworks** that can evolve as technologies do. Their capacity to do so will increasingly define **competitiveness, trust and economic leadership.**

Designing intelligent regulatory infrastructure begins with **five domains** – the areas of choice that determine how regulation will perform in practice.

1 The building blocks: five design domains

Design choices that balance innovation, safety and competitiveness will ultimately shape markets, trust and national advantage.

Regulation is defined by design – by how rules and institutions turn policy intent into credible outcomes. The five domains illustrate where design choices determine whether innovation scales with confidence or stalls in uncertainty. Each reflects a core trade-off in modern regulation – such as balancing speed and safety, innovation and accountability, national priorities and global coherence – ultimately turning oversight into an adaptive framework that evolves with technology and trust.

TABLE 1 **Overview: the five design domains and their strategic trade-offs**

Domain	Core policy question	Design mechanisms (a sample)	Strategic trade-offs
Defining boundaries	**What activities and actors fall within the purview of the regulation?**	– Activity-based rules – Risk-tiered regulation – Adaptive perimeters	Safety for stakeholders versus space for experimentation
Designing learning systems	**How does regulation evolve with evidence and collaboration?**	– Regulatory sandboxes – Co-designed platforms – Evidence-sharing networks	Oversight discipline versus collaboration and agility
Opening market access	**How are new entrants admitted into markets safely and fairly?**	– Phased or segregated licensing – Open application programming interface (API) standards – Active stewardship of market frameworks	Entry speed versus confidence in the market
Building and operating infrastructure	**Should regulators go beyond rule-setting to build shared systems?**	– Public digital utilities – Shared data infrastructures – Digital identity systems	Inclusion through public rails versus neutrality of infrastructure
Codifying and adapting rule	**How do legal frameworks stay credible as technology changes?**	– Principle-based rules – Continuous authorization – Life cycle monitoring	Law stability versus adaptability to technological change

Source: Boston Consulting Group (BCG); World Economic Forum.

Effective regulation is the product of design, not decree or dictum. Its performance depends on how the five domains interact – from where boundaries are drawn to how rules adapt.

1.1 Defining boundaries that protect without constraining

As technologies blur sector lines, drawing the regulatory perimeter – the scope of activities and actors subject to oversight – has become one of the most consequential design choices. Define it too broadly, and innovation will be trapped in compliance. Do so too narrowly, and risk will migrate outside the rulebook.

Entity-based models break down in cross-sector markets. Traditional frameworks used to regulate institutions rather than activities, which worked when products were stable and companies stayed within defined lanes. Now, technology companies processing payments or hospitals deploying diagnostic AI perform regulated functions without fitting into traditional categories, exposing the limits of outdated regulatory design.

Activity-based rules redraw the perimeter. Modern frameworks ask what a company does rather than what it is. If a company holds customer funds, custody rules must apply – whether it is a bank, an exchange or a fintech platform. Dubai's International Financial Centre applies this model for digital assets, regulating issuance, trading, custody and advice consistently across actors.[2]

Risk-tiered boundaries focus oversight where it matters most. Instead of treating every product the same, regulators can tailor scrutiny to the potential harm an innovation could cause. In healthcare, this approach is well-established; low-risk tools move quickly through review, while new technologies that influence diagnosis or treatment undergo a deeper evaluation.

Singapore's Health Sciences Authority, for example, uses a four-tier system for software as a medical device.[3] There are light requirements for wellness or monitoring apps, but rigorous testing for programmes that analyse medical images or guide therapy decisions. The result is faster access to safe innovation and stronger protection where it matters most.

When boundaries fail, trust erodes at both extremes. A perimeter drawn too narrowly pushes innovation into unregulated or offshore markets. Drawn too broadly, it drags experimentation into heavy compliance, slowing deployment. Either extreme undermines confidence – the first through lack of protection, the second through excess friction. Getting the perimeter right determines whether innovators build inside trusted markets or outside them, and whether regulators remain credible architects of the innovation economy. Equally important is keeping that perimeter adaptive – able to expand as new activities emerge and narrow where risks diminish so oversight remains relevant.

1.2 Designing learning systems that turn evidence into evolution

Modern regulation must learn continuously from the manner in which technologies behave in the real world. This requires regulatory sandboxes that allow innovators to deploy new technologies with real users under defined safeguards so regulators can observe risks in practice and translate findings into policy. It also demands mechanisms that connect regulators with innovators early and link their experience across borders, turning oversight into a system that evolves through evidence and collaboration.

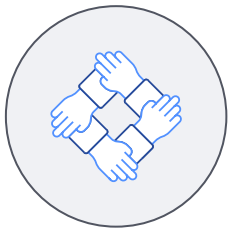
FIGURE 1 **The regulatory learning cycle: how oversight evolves with innovation**

Three complementary learning channels to keep regulation adaptive

Internal

Integrating insights from pilots and sandboxes into rulemaking

The UK Digital Securities Sandbox enables supervised market infrastructure trials to inform future rulemaking.[4]



Collaborative

Co-designing frameworks with stakeholders to accelerate adaptation and build trust

The United Arab Emirates National AI Strategy 2031 sets national priorities for AI through a Minister of State, a cross sectoral council and a network of chief AI officers who coordinate and align efforts.[5]

International

Sharing standards and know-how through global regulatory networks

The African Medicines Regulatory Harmonization programme helps national health regulators coordinate reviews and harmonize standards.[6]

Source: Boston Consulting Group (BCG); World Economic Forum.

Oversight must balance discipline with agility. Tight control preserves integrity but slows feedback; open collaboration accelerates learning but risks inconsistency. The challenge lies in whether regulators learn with innovators or after them, and how they can do so without weakening accountability.

When learning fails, superficial oversight replaces supervision. If feedback loops weaken, sandboxes become symbolic exercises and co-design turns into lobbying. Insights remain anecdotal, and crises, rather than evidence, drive change. Systems that embed disciplined learning update faster, act earlier and build confidence in both innovation and oversight.

1.3 Opening market access so innovation reaches users safely

> Excessive licensing barriers push new ideas offshore; lax entry rules invite misconduct that undermines confidence.

Even perfect rules will fail if market entry remains opaque. Access frameworks determine how quickly and fairly innovation reaches users.

Clear and predictable entry rules translate innovation into adoption. Traditional licensing regimes are binary – they either provide full authorization or none. Such systems suit mature, stable products, but not emerging technologies whose risks and controls are still evolving. Modern frameworks introduce phased or conditional licenses that allow companies to begin limited operations, prove their controls work and scale as their capabilities grow.

Smart access design can unlock new markets. Kenya's Central Bank allowed telecom operators to offer mobile money services with dedicated e-money supervision rather than full banking licenses. This decision created a new entry path for non-bank providers while preserving confidence through fund-segregation and transaction monitoring. Within a few years, more than 80% of Kenyan adults were using mobile payments, showing how purpose-built access rules can scale innovation quickly without undermining trust in financial systems.[7]

Common standards keep access fair once markets open. When multiple providers connect through shared protocols – such as open application programming interfaces (APIs) or interoperability standards – competition shifts from controlling infrastructure to improving service quality. Transparent access rules and consistent supervision prevent dominant players from recreating new gatekeepers in systems that were designed to be open.

Balancing entry speed with market confidence is a central design choice. Regulators must open markets quickly enough for innovation to scale and firmly enough to preserve trust. Staged or conditional authorization accelerates entry, but demands real-time oversight, while single approvals maintain confidence but slow adoption. Once systems are open, active stewardship becomes part of the same tension. Without it, shared standards fragment or are captured by the most prominent players.

When market access fails, innovation stalls in pilots. Excessive licensing barriers push new ideas offshore; lax entry rules invite misconduct that undermines confidence. The credibility of open markets depends on regulators matching the pace of entry with the depth of oversight.

1.4 Building shared infrastructure that levels the playing field

Sometimes, regulators need to do more than set rules – they must **build shared systems that make markets work better.** When coordination gaps and prohibitive costs prevent private actors from creating essential platforms, regulators must step in as platform stewards and operators. Acting in this role shifts regulation **from supervision to market design,** expanding inclusion and reordering the nature of private competition.

FIGURE 2 **Building regulator-operated market infrastructure**

What the role must deliver

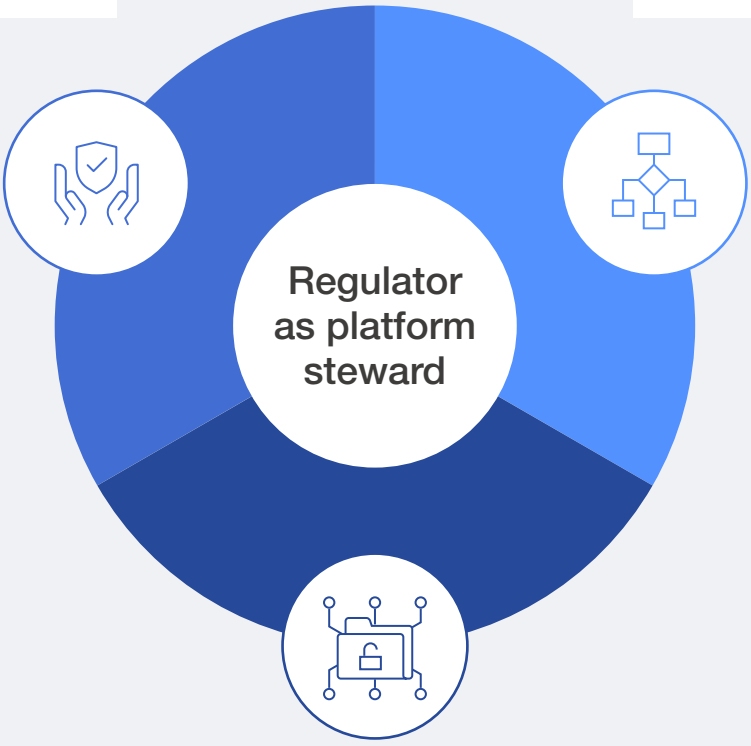
Regulators move from enforcing rules to shaping the systems that make markets work

Maintain trusted governance

Run the infrastructure with **clear accountability, independent oversight** and **transparent performance data** to sustain confidence.

Provide foundational infrastructure

Catalyse public digital rails **where markets cannot** (e.g. in payments, data exchange or identity): **lower entry barriers, widen reach and enable scale.**



Ensure open and neutral access

Keep participation on **equal terms** through **published standards, interoperable APIs,** and **non-discriminatory entry rules** (no gatekeeping by incumbents).

Source: Boston Consulting Group (BCG); World Economic Forum.

India's Unified Payments Interface (UPI) shows both the power and disruption of regulator-built infrastructure. Launched in 2016 under the oversight of the country's central bank and operated by a separate non-profit entity, UPI created open, free-for-users payment rails that connect banks, fintechs and consumers in real time. By 2024, it was handling over 16 billion transactions a month – over 80% of India's retail digital payments by volume. The model drove financial inclusion at unprecedented speed, but compressed the margins and market shares of the traditional card networks. Similar logic applies to digital identity systems.[8] Where markets lack a trusted identity layer, regulators often step in to establish common credentials that enable secure access and participation across sectors.

The design tension lies between inclusion and neutrality. Regulator-run infrastructure may widen participation and lower costs, but it risks politization and the crowding out of private investments. Private-sector systems innovate faster, but risk fragmentation and concentration. The challenge is to maintain **competitive neutrality**, ensuring that public platforms stay open while allowing private providers to innovate atop them.

Shared infrastructure fails less from design than from governance. When regulators operate public platforms, their conduct becomes the benchmark for the private sector, with weak accountability eroding trust faster than technical failure. The standards that regulators set while running shared systems ultimately shape how markets judge the fairness and reliability of governance itself.

1.5 Keeping the law adaptive, so trust and relevance endure

> Prescriptive rules give businesses the confidence to invest – but if they never change, they lose relevance as technology advances.

Rules that cannot adapt lose both consumer trust and relevance. Modern legislation must hold principles steady while allowing technical standards and enforcement to evolve with evidence and technology.

Principles-based law creates stability without rigidity. Prescriptive regulation specifies methods that may soon become obsolete. Meanwhile, principles-based frameworks set guiding norms, such as fairness, transparency and accountability, and delegate detailed outcomes and metrics to technical bodies that can update them without reopening legislation. The US Food and Drug Administration's Software-as-a-Medical-Device Framework applies broad safety principles while relying on technical standards developed by the International Medical Device Regulators Forum, keeping oversight aligned with rapid innovation.[9]

Continuous authorization replaces one-time approval. Most licensing regimes treat digital systems as static, even though software, data models and safety profiles constantly evolve. The Accumulus Synergy initiative, a global collaboration between pharmaceutical regulators and companies, offers a new model: a shared data platform that allows version-controlled regulatory information to flow in real time.[10] Each update becomes visible as it occurs, enabling supervisors to focus on those changes that materially affect risk. Supervision turns from periodic reporting into continuous dialogue, aligning regulatory vigilance with technological advancements.

Balancing legal certainty with adaptability is a central design challenge. Prescriptive rules give businesses the confidence to invest – but if they never change, they lose relevance as technology advances. Principles give regulators flexibility, yet they make compliance boundaries less predictable. A key way to manage this tension is through **technological neutrality**, designing rules that focus on purpose and function rather than the underlying technology. This allows frameworks to stay relevant as systems evolve and standards adjust over time.

Laws lose credibility when adaptation lags. When standards bodies take years to update their principles, they stop providing protection. When regulators interpret them differently across regions, companies face costly fragmentation. The worst outcome is a system that claims flexibility but creates uncertainty.

The five design domains above show how regulatory choices shape the speed, safety and competitiveness of innovation. Together, they form the framework on which markets grow and trust is earned, and define what is at stake when nations design the rules of the future.

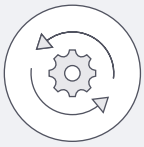
2 Regulatory pathways: from building blocks to strategic models

Regulators combine design-domain decisions along three pathways that determine how regulation evolves, scales and shapes global standards.

2.1 Three routes regulators are taking to design the future

Regulators rarely pull one lever. In practice, they combine the five domains into coherent strategies where boundaries, learning, access, infrastructure and adaptation reinforce one another. Currently, three main patterns are emerging, each suited to different contexts and capacities.

FIGURE 3 **Regulatory pathways: how design-domain choices combine into strategy**

Pathway	Design logic and outcomes
Adaptive pathfinders 	**Evolve within established rulebooks through controlled experimentation and iterative updates.** – Link boundary adjustments, learning pilots and periodic rule reviews so lessons from experimentation translate directly into regulation. – This is effective where institutions are credible and risk appetite is moderate, balancing innovation and trust. – When the learning process is weak, pilots will proliferate without concluding, even as incumbents reinforce the status quo.
Systemic architects	**Replace legacy frameworks by redesigning markets around shared digital and legal foundations.** – Design activity-based boundaries, open access and digital rails as one system that embeds compliance into market architecture. – This works during reform windows or in sectors where coordination unlocks scale and inclusion. – When capacity falls short, complexity compounds, and public confidence erodes.
Standards convergers	**Link domestic frameworks to a larger regulatory anchor to gain recognition and access.** – Align domestic boundaries and assurance processes, and update cycles with a larger rulebook for interoperability while maintaining key local discretion. – This is suited to sectors where cross-border activity demands predictable equivalence. – When reciprocity is weak, imported updates follow external timelines and narrow local policy space.

Source: Boston Consulting Group (BCG); World Economic Forum.

2.2 Strategic coherence will define the next generation of regulation

Most regulators mix approaches across sectors, updating legacy rules in some areas, building new systems in others and harmonizing internationally where coordination adds value. The following three principles guide strategic choices:

1. **Coherence across domains**: Misalignment creates friction; alignment accelerates adoption.

2. **Capacity alignment**: Systemic reforms demand depth and continuity; incremental change, when done well, outperforms grand redesign conducted poorly.

3. **Optionality**: No pathway is permanent. Systems should shift from adaptive to systemic or convergent as the context changes.

The question is not **which** pathway to choose, but rather **where and when** to deploy each of the three, and how to ensure they reinforce, rather than conflict with, one another.

3 Designing regulation: a source of advantage and trust

Stability without innovation becomes stagnation; innovation without stability becomes volatility. The task of modern regulation is to hold both in balance.

When regulation is designed as strategy, it becomes productive capital. The same choices that shape boundaries, learning, market access, infrastructure and legal adaptability translate into the two key outcomes that leaders care about: where growth concentrates and whether societies grant permission to scale.

3.1 Regulation as strategic advantage in a changing geopolitical order

Regulation has become a tool of economic positioning, defining how nations attract capital and talent, set global standards and preserve the freedom to innovate on their own terms.

Regulation reflects national economic strategy

- Nations treat regulation not as risk control, but as a tool of economic positioning, signalling whether they lead on prudence or prioritize growth and innovation.
- Rulebooks are calibrated to a nation's economic structure and comparative strengths, turning oversight into competitiveness.

First movers set the global defaults

- Frameworks designed early and credibly – from Basel prudential rules to Financial Action Taskforce (FATF) integrity standards and General Data Protection Regulation (GDPR)-style data protection – become international reference points.
- Regulatory clarity is soft power. Coherent, trusted regimes attract capital, lower friction for exporters and extend their influence beyond borders.

Sovereignty is shaped through strategic alignment

- Aligning with global frameworks builds credibility and market access, but narrows policy discretion. Staying outside them preserves autonomy, but limits voice.
- The strategic task is to balance both, engaging with global regimes early enough to shape them while developing domestic tools for experimentation and adaptation.

3.2 Regulation as a public good for innovation and society

When governance is transparent and accountable, innovation earns legitimacy, turning private progress into public value.

Regulation connects innovation with tangible outcomes

- Clear, predictable rules direct technologies towards real-world benefit such as safety, data accountability and effective redress.
- Progress managed visibly becomes adoption-ready and politically sustainable.

Trusted frameworks widen access to innovation

- Transparent regimes lower entry barriers for entrepreneurs, researchers and smaller businesses.
- Reduced uncertainty and consistent standards attract investment and distribute growth more evenly.

Public trust anchors stability in fast-moving markets

- Credible oversight assures citizens that growth is governed in their interest, reinforcing faith in regulatory institutions.
- Over time, this assurance becomes civic infrastructure – in the form of stability that lets economies innovate confidently.

4 Shaping what comes next: priorities for regulators and chief executive officers

Designing regulation and innovation as one system will define competitiveness in the next decade.

FIGURE 4 **Capabilities for regulators and chief executive officers to design for uncertainty**

Regulators: three core capabilities

Foresight

Anticipate how technologies will reshape markets and risks.

Translate early insights and pilot results into clear regulatory direction.

Prepare teams, data systems and oversight methods to evolve ahead of innovation.

Technical depth

Design and interrogate complex systems with policy, data and engineering fluency.

Create outcome-based rules that adapt as technologies mature.

Build integrated tools and skills that connect supervision with real-world performance.

Engagement

Act as a market convener, bringing innovators, academia and civil society into shared test environments.

Turn collaboration into open evidence that informs rule design.

Build legitimacy through transparent communication and continuous learning.

Chief executive officers: five takeaways

Read the regulatory path early.

Engage early to understand whether the market faces adaptation, redesign, or convergence.

Shape timing and investment around where regulation is going, not where it is.

Build trust as a product feature.

Design transparency, auditability and traceability directly into systems.

Treat verifiable integrity as core infrastructure, not compliance overhead.

Shape standards through collaboration.

Participate in sandboxes, pilots and working groups to set practical norms.

Influence the standards others will later have to follow.

Differentiate above the rails.

As open standards, shared data platforms and public digital rails become common infrastructure, compete on insight and reliability.

Deliver value through superior user experience, analytics and verifiable protection.

Design compliance for scale.

Build modular controls and shared data models that adapt across jurisdictions.

Configure locally without rebuilding regulations each time.

Source: Boston Consulting Group (BCG); World Economic Forum.

Conclusion

Well-designed guardrails are not brakes – they are the runway for innovation and will define the competitive map of the future.

Regulation has become a defining capability of competitiveness. Countries and companies that master it will determine how innovation scales and where economic power grows in the decade ahead.

For policy-makers, the task is to design systems that evolve with evidence, and frameworks that balance stability and innovation and adapt as quickly as the technologies they govern. Those that succeed will attract investment, talent and influence, shaping global standards through credibility and consistency.

For business leaders, foresight and adaptability will be decisive. Anticipating regulatory direction, embedding transparency into products and engineering compliance that scales across borders will separate those that lead global markets from those that follow them.

The next frontier of competition will be written in code and regulation alike. Designing the rules of progress has become as strategic as inventing technology itself.

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