

DIGITAL REGULATORY INTEROPERABILITY

Context

The G7's leadership in digital regulation has emphasized balancing innovation and trust, but regulatory fragmentation threatens to slow economic growth and limit the transformative potential of AI. Coordinating approaches are needed to sustain competitiveness and build trust across global markets.

Key Challenges

Diverging digital regulations increase costs for businesses, complicate cross-border collaboration, and risk undermining economic growth and innovation

High compliance burdens from emerging frameworks, could disproportionately impact small and mid-sized enterprises and deter investments

Lack of regulatory interoperability risks fragmenting markets, raising barriers to trade, and weakening collective leadership on global digital standards

Number of AI policies



Number of policies



44%

of European business cite regulation as the primary barrier to AI adoption

Recommendations to G7

As digital economies expand, the B7 sees this as an opportunity to promote interoperability through aligned technical standards, international cooperation, and flexible governance that supports innovation and protects consumers.



Advance interoperability of AI and digital regulation to foster innovation and trust

To balance innovation with security, the G7 should promote unity through interoperable AI and digital regulations that facilitate responsible adoption while reducing compliance burdens



Facilitate secure and seamless cross-border data flows

To unlock the economic benefits of digital trade and AI-driven economies, the G7 should strengthen mechanisms that enable trusted, seamless data flows while ensuring privacy and security



To learn more and read the full B7 Communiqué, visit [Chamber.ca](https://chamber.ca).