

DEMOS

Mozilla | 3

AI OPENNESS AND THE UK AI BILL

PRESERVING THE
'OPEN DIVIDEND'

ELIZABETH SEGER

SEPTEMBER 2025

Open Access. Some rights reserved.

Open Access. Some rights reserved. As the publisher of this work, Demos wants to encourage the circulation of our work as widely as possible while retaining the copyright. We therefore have an open access policy which enables anyone to access our content online without charge. Anyone can download, save, perform or distribute this work in any format, including translation, without written permission. This is subject to the terms of the Creative Commons By Share Alike licence. The main conditions are:

- Demos and the author(s) are credited including our web address **www.demos.co.uk**
- If you use our work, you share the results under a similar licence

A full copy of the licence can be found at **<https://creativecommons.org/licenses/by-sa/3.0/legalcode>**

You are welcome to ask for permission to use this work for purposes other than those covered by the licence. Demos gratefully acknowledges the work of Creative Commons in inspiring our approach to copyright. To find out more go to **www.creativecommons.org**



INTRODUCTION

The UK government has made economic growth its top priority. AI has been made central to this growth agenda, but while the UK boasts world-leading academic institutions, a growing ecosystem of AI startups, and globally recognised expertise in AI safety and governance, it cannot compete directly with the scale and self-sufficiency of AI superpowers like the US and China.

Demos's recent report in partnership with Mozilla, *The Open Dividend*,¹ makes the case for a national commitment to AI openness - toward supporting a thriving open-source AI ecosystem in the UK, for example, by investing in public AI infrastructure, procuring open-source tools where possible, and enforcing transparency requirements on proprietary tech. We illustrate the promotion of AI openness as a strategic move towards achieving the UK's AI ambitions for fostering innovation, building public trust, driving adoption, and underpinning greater AI sovereignty. Protecting the UK's economic and public interests in the face of growing tech rivalry and US market domination will require nurturing and maintaining a viable open AI counterpoint to proprietary tech environments.

The 'Open Dividend' report discusses how aspects of AI openness can be embedded into the UK's AI strategy via the rollout of the AI Opportunities Action Plan.² But there is also a question as to how AI openness and open-source model-sharing needs to be dealt with in the forthcoming UK AI Bill.³

Open-sourcing highly capable AI models come with risks including lowering barriers to malicious use and facilitating the dissemination of potentially dangerous model capabilities. But there is also a risk in overregulating model distribution and placing overly burdensome requirements on open-source developers to provide assurances. Doing so could stifle the economic benefits that a thriving open-source AI ecosystem would bring to the UK, potentially driving away business growth and talent.

In this policy brief we provide recommendations on how to strike a balance in the UK AI Bill. We do not argue that open-source AI development should be left unregulated. Rather we provide recommendations for how to ensure open-source isn't regulated out of existence, how to support open-source AI developers with clearer regulation outlining responsibilities throughout the AI lifecycle, and how to harness greater AI openness in service of AI safety.

Section 1 provides a brief overview of the well-documented benefits of AI openness. Section 2 summarises how AI openness can be embedded in the UK's AI strategy, and Section 3 expands on how the UK AI Bill, specifically, can help support AI openness in the UK in a safe and responsible manner.

1 Seger, E. & Hancock, J. (2025). The open dividend: Building and AI openness Strategy to unlock the UK's AI potential. Demos. <https://demos.co.uk/research/the-open-dividend-building-an-ai-openness-strategy-to-unlock-the-uks-ai-potential/>

2 AI Opportunities Action Plan (2025). <https://www.gov.uk/government/publications/ai-opportunities-action-plan/ai-opportunities-action-plan>

3 As announced in the King's Speech (2024) and Labour Party Manifesto (2025); King's speech, Oral statement to Parliament (2025). <https://www.gov.uk/government/speeches/the-kings-speech-2024>, Labour Party Manifesto (2025). <https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf>

1. THE BENEFITS OF AI OPENNESS FOR THE UK

AI Openness is understood as the broad public availability and accessibility of key artefacts and documentation from AI across the AI tech stack including AI models (open-source weights and code), datasets, documentation, safety tooling, and compute resources.

AI openness is related to but distinct from **open-source AI**⁴ which refers to the availability of a model (its weights and code) for public download under open-source licence such that anyone is able to freely use, study, modify, and share the model.⁵ Open-source model distribution and licensing is only one component of AI openness.

For a country looking to drive the domestic AI industry growth and reap the public benefits of widespread AI adoption, **the advantages of supporting AI openness and a thriving open-source AI ecosystem are numerous.** They include:

- Driving innovation
- Supporting AI industry growth
- Enabling flexible AI adoption
- Acting as an economic multiplier
- Strengthening tech sovereignty

DRIVING INNOVATION:

Today's AI is the product of decades of open innovation and knowledge-sharing. Open models, tools, and collaborative communities have accelerated AI progress driving breakthrough advances in fine-tuning and distributed model training. Faced with limited access to compute, open developers have had a strong incentive to create smarter, leaner approaches. Breakthroughs like Low-Rank Adaptation (LoRA) have made it possible to fine-tune smaller models to rival or surpass much larger ones.⁶ Tasks that once required 100-billion-parameter models can now be achieved with under 2 billion,⁷ and the performance gap between open and closed weight models has decreased from 8% to 1.7% in the past year.⁸

Open-source ecosystems have also been driving innovation in decentralised model training - in which computational workload is spread across a network of globally dispersed computing resources including consumer-grade GPUs. For example, Prime Intellect has recently completed a training run for INTELLECT-2, a 32 billion parameter open-source reasoning model with contributions from 20 independent compute providers spanning 3 continents.⁹

4 For a thorough discussion of the difference between often confused terms such as open access, open-source, open science, open licence, open knowledge, and open collaboration in relation to AI see White et al. (2024). The Model Openness Framework: Promoting Completeness and Openness for Reproducibility, Transparency, and Usability in Artificial Intelligence. Retrieved from <https://arxiv.org/abs/2403.13784>

5 A prominent definition of open-source developed in a co-design process led by the Open-Source Initiative. see: OSI (2024). The Open Source AI Definition - 1.0. Retrieved 23 April, 2025. <https://opensource.org/ai/open-source-ai-definition>

6 T. Dettmers, A. Pagnoni, A. Holtzman, and L. Zettlemoyer (2023). QLoRA: Efficient Finetuning of Quantized LLMs. DOI: 10.48550/arXiv.2305.14314. arXiv: 2305.14314 [cs]

7 <https://huggingface.co/blog/evijit/smollm-deepseek-bias-eval>

8 Maslej, N. et al. (April 2025). The AI Index 2025 Annual Report. AI Index Steering Committee, Institute for Human-Centered AI, Stanford University. <https://hai.stanford.edu/ai-index/2025-ai-index-report>

9 (April 2025). INTELLECT-2: Launching the First Globally Distributed Reinforcement Learning Training of a 32B Parameter Model. Accessed 5 May, 2025. <https://www.primeintellect.ai/blog/intellect-2>

These recent advances in decentralised compute are lowering the barriers to entry for large-scale AI development, enabling researchers and smaller organizations to collaboratively train and use powerful models without needing access to massive centralised infrastructure.

SUPPORTING AI INDUSTRY GROWTH:

Open-source frameworks, models, and datasets form the backbone of the global AI industry. They empower startups and SMEs to innovate without heavy investment, reduce market entry barriers, and support the UK's goals of fostering a dynamic AI sector.

Widely used machine learning and deep learning frameworks such as TensorFlow¹⁰ and PyTorch¹¹ are maintained as open-source projects and supported by contributions from a mix of independent developers and large corporations. These frameworks power countless commercial applications and academic projects, offering a common, accessible infrastructure for AI development.

Open repositories of datasets and pretrained models such as those found on GitHub or Hugging Face also allow developers to build products and services without needing to train models from scratch. This lowers the entry barrier, especially for smaller companies, startups, and researchers with limited resources.

Accordingly, open-source has become a well-established and financially viable category of venture capital, with valuations of companies that develop open-source software sometimes reaching tens of billions of dollars.¹²

ENABLING FLEXIBLE AI ADOPTION:

Openness supports affordable, adaptable, and secure AI deployment across sectors particularly in public services, where budgets are constrained. In the private sector, cost savings are consistently cited as the leading reason for why businesses choose to procure open-source tools over proprietary alternatives.^{13,14} There are no licensing fees or vendor overheads.

It also prevents vendor lock-in and empowers organisations to customise solutions to specific needs. Organisations that build on open models and employ open-source hardware retain control over their tech stack and reduce long-term dependence on single providers.

ACTING AS AN ECONOMIC MULTIPLIER:

Open-source software (OSS) has been shown to significantly contribute to global GDP. OS AI development reduces effort duplication and underpins additive innovation. A 2021 study commissioned by the European Commission found that roughly €1 billion in OSS investment by EU-based firms resulted in an economic impact of €65-€95 billion.¹⁵ Without any open-source contributions, the average country would lose around 2.2% of its GDP, and the countries that benefit most are those with strong R&D ecosystems like the UK.

10 Why TensorFlow. Accessed May 27, 2025. <https://www.tensorflow.org/about>

11 Zemlin, J. (2022). Welcoming PyTorch to the Linux Foundation. The Linux Foundation. Retrieved August 16, 2024, from <https://www.linuxfoundation.org/blog/blog/welcoming-pytorch-to-the-linux-foundation>

12 Laverne (2025). 'The Open Source Payoff'. Serena. <https://blog.serenacapital.com/the-open-source-payoff-5e835c54c0f1>

13 Bisht, A, et al. (2025). Open source technology in the age of AI. <https://www.mckinsey.com/capabilities/quantumblack/our-insights/open-source-technology-in-the-age-of-ai>

14 Van Slyke, D. (March 14, 2019). Baidu, Facebook and Microsoft work together to define the OCP Accelerator Module specification. Open Compute Project. https://www.opencompute.org/blog/baidu-facebook-and-microsoft-work-together-to-define-the-ocp-accelerator-module-specification?utm_source=chatgpt.com

15 European Commission. (September 2, 2021). Study about the impact of open source software and hardware on technological independence, competitiveness and innovation in the EU economy. Accessed 23 May, 2025. <https://digital-strategy.ec.europa.eu/en/library/study-about-impact-open-source-software-and-hardware-technological-independence-competitiveness-and>

STRENGTHENING TECH SOVEREIGNTY:

An AI openness strategy would help ensure the UK is not over-reliant on proprietary technologies from global superpowers. Instead, the UK could assert leadership through international cooperation, knowledge-sharing, and investment in open ecosystems.

Country case studies, most notably India and China, illustrate the success of national open-source strategies for building domestic tech independence, global influence, and resource resilience.¹⁶

In **China**, the government has advocated for open-source AI development in its national plans from at least 2017¹⁷ with strong state coordination¹⁸ and investment¹⁹ in open-source, enabling rapid innovation and reducing reliance on foreign technology. This approach has produced competitive models like DeepSeek R1²⁰ and, more recently, Moonshot's Kimi K2²¹, showcasing high performance at lower cost and growing the global market for China's domestic hardware.²² China is increasingly shaping global AI standards through global dissemination of its open-source innovation.²³

India's open-source AI strategy, by comparison, is rooted in a broader push for cost saving, transparency, minority inclusion, and digital self-reliance.²⁴ Through government-led initiatives like IndiaAI²⁵ and Bhashini,²⁶ the country has developed open-source models supporting 22 languages, expanded researcher access to compute and data, and promoted inclusive, cost-effective AI tools as public goods.

16 See Appendix 1 of the Open Dividend Report for further case study analyses. <https://demos.co.uk/research/the-open-dividend-building-an-ai-openness-strategy-to-unlock-the-uks-ai-potential/>

17 Webster et al. (2017). 'Full Translation: China's 'New Generation Artificial Intelligence Development Plan'. Stanford University. <https://digichina.stanford.edu/work/full-translation-chinas-new-generation-artificial-intelligence-development-plan-2017/>

18 Zhu (2024). 'China's Approach to AI Standardisation'. Finnish Institute of International Affairs. https://fiia.fi/wp-content/uploads/2024/08/bp391_chinas-approach-to-ai-standardisation.pdf; Bloom (2025). 'DeepSeek: how China's embrace of open-source AI caused a geopolitical earthquake'. The Conversation. <https://theconversation.com/deepseek-how-chinas-embrace-of-open-source-ai-caused-a-geopolitical-earthquake-249563>; Larsen (2019). 'Drafting China's National AI Team for Governance'. Stanford University. <https://digichina.stanford.edu/work/drafting-chinas-national-ai-team-for-governance/>

19 Ministry of Science and Technology (MIIT; 2019). '科技部关于印口《国家新一代人工智能开放平台建口工作指引》的通知'. https://www.gov.cn/xinwen/2019-08/04/content_5418542.htm; Larsen (2019). 'Drafting China's National AI Team for Governance'. Stanford University. <https://digichina.stanford.edu/work/drafting-chinas-national-ai-team-for-governance/>

20 DeepSeek (2025). 'DeepSeek-R1'. GitHub. <https://github.com/deepseek-ai/DeepSeek-R1>

21 Kimi K2: Open Agentic Intelligence. https://moonshotai.github.io/Kimi-K2/?utm_source=substack&utm_medium=email

22 Allan, G. C. (April 2025). DeepSeek: A Deep Dive. Centre for Strategic & International Studies. <https://www.csis.org/analysis/deepseek-deep-dive>

23 Lin, Chin, & Huang (2025). China is quickly eroding America's lead in the global AI race. Wallstreet Journal. <https://www.wsj.com/tech/ai/artificial-intelligence-us-vs-china-03372176>

24 National Institution for Transforming India (NITI) Aayog (2018). National Strategy for Artificial Intelligence #AIFORALL. <https://www.niti.gov.in/sites/default/files/2023-03/National-Strategy-for-Artificial-Intelligence.pdf>; also see IndiaAI (2025). 'India's vision for AI: Prime Minister's address at the AI Action Summit, Paris'. <https://indiaai.gov.in/article/india-s-vision-for-ai-prime-minister-s-address-at-the-ai-action-summit-paris>

25 IndiaAI (2025). <https://indiaai.gov.in/>

26 Indian Ministry of Electronics and Information Technology (MeitY; 2025). 'About Bhashini'. <https://bhashini.gov.in/about-bhashini>

2. EMBEDDING AI OPENNESS IN THE UK'S AI STRATEGY

The 'Open Dividend' report discusses how the UK government can operationalise an AI openness strategy for the benefit of UK industry by embedding AI openness across core components of national AI infrastructure as articulated in the AI Opportunities Action Plan: compute, data, talent, and regulation.

Compute: The UK should actively pursue international compute collaboration, such as through the EuroHPC Joint Undertaking²⁷ or EuroStack²⁸ initiative, prioritise compute access for public-interest open-source developers, and ensure new compute infrastructure development in the UK utilises open-source hardware design.

Data: The National Data Library should adopt an "open by default" model, making high-quality datasets broadly available under open-access licences. Where openness isn't appropriate, intermediate models such as localised access, synthetic data, and structured transparency tools can lower barriers to innovation while preserving privacy and legal protections. The UK should also reset data-sharing relationships with the EU, centering renewed sharing commitments around collaborative AI research projects for mutual public benefit.

Talent: Excessive restrictions on open-source development could deter top researchers, even if openness isn't the main draw. To stay competitive, the UK must support international collaboration and commercial use of open-source tools, fostering a culture of collaborative and values-driven innovation.

Regulation: Openness should guide the UK AI Bill and the AI Security Institute's (AISI's) role. The UK AI bill must be careful not to dissuade open-source innovation with overly restrictive requirements, and AISI's role should be defined such that it boosts the UK's global AI influence through knowledge-sharing. These last points are expanded upon in the next section.

3. WHAT DOES SUPPORTING AI OPENNESS LOOK LIKE FOR THE UK AI BILL?

The national benefits of greater AI openness and open-source AI development are clear – as summarised above and explored more thoroughly in the Open Dividend report. There are, however, significant concerns about the potential risks of open-source model sharing at the frontier of AI development.

The risks of open-sourcing frontier AI models include:

- **Lowering barriers to malicious use:** Users can more easily remove safeguards against misuse from open models²⁹ or fine-tune open models to optimise performance for harmful applications.³⁰ This has become a particular concern with respect to recent advances in

27 The European High Performance Computing Joint Undertaking (EuroHPC JU). Accessed 25 May, 2025. https://eurohpc-ju.europa.eu/index_en

28 EuroStack (2025). Deploying the EuroStack: What's Needed Now. Accessed 25 May, 2025 <https://euro-stack.eu/the-white-paper/>

29 Seger, E. et. al. (2023). Open-Sourcing Highly Capable Foundation Models: An Evaluation of Risks, Benefits, and Alternative Methods for Pursuing Open-Source Objectives. Centre for the Governance of AI. <http://arxiv.org/abs/2311.09227>

30 Lermen, S., Rogers-Smith, C., Ladish, J. (2023). LoRA Fine-Tuning Efficiently Undoes Safety Training in Llama 2-Chat 70B. <http://arxiv.org/abs/2310.20624>

AI capability for biological and chemical discovery which might be maliciously used for biological and chemical weapons development.³¹

- **Disseminating potentially dangerous capabilities:** When open-source models are integrated into a multitude of downstream systems and applications, any unresolved model flaws are disseminated as well. These flaws may include potentially dangerous capabilities such as the ability to deceive users and trick post-deployment monitoring systems leading to potential “loss of control” risk.³²

However while open-sourcing frontier AI can pose some serious risks, these risks are generally less for smaller, less highly-capable models. Meanwhile the benefits of open-sourcing for innovation (including safety innovation), industry growth, and adoption are widely realised across all levels of AI research and development.

Accordingly, as the UK AI Bill is developed with the aim of protecting citizens from potential risks posed by increasingly capable AI, the Bill’s architects must strive to strike a balance; the risks of open-source model-sharing on the frontier must be taken seriously while not precluding the UK from reaping the national benefits of AI openness more broadly.³³

HIGH-LEVEL GOALS FOR THE UK AI BILL

The UK AI Bill should aim to achieve three goals with respect to AI openness that help to balance the safety risks with the opportunities of AI openness for the UK:

1. Prevent open-source AI development from getting regulated out of existence.

The request here is not to preclude restrictions on open-source model-sharing, but to ensure that the UK AI Bill is constructed such that it does not regulate open-source out of existence. Open-source ecosystems would be harmed if, for instance, stringent requirements for documentation and reporting are untenable for small open-source developers, if potential liability consequences for open-sourcing lower risk models are too harsh, or if thresholds for potential model-sharing restrictions are not sufficiently flexible to a changing AI landscape.

2. Actively support the development of open and open-source AI as a viable counterpoint to big tech.

This will require providing regulatory certainty to businesses and downstream developers looking to adopt open-source tools such that they feel confident in their responsibilities and/or protections. Toward this end we recommend implementing a distributed liability framework. See Table 1.

3. Where appropriate, harness AI openness as a mechanism for underpinning AI safety.

For example, by implementing transparency requirements on proprietary AI developers and infrastructure providers to share information about training data sets, model testing, and incident reporting. This goal may also be furthered by sharing AISI’s own research insights and safety tooling.

31 Williams, B. et. al (2025). Forecasting LLM-enabled biorisk and the efficacy of safeguards. Forecasting Research Institute. <https://forecastingresearch.org/ai-enabled-biorisk>

32 Benjio, Y. (2025). International AI Safety Report 2025. DSIT. <https://www.gov.uk/government/publications/international-ai-safety-report-2025/international-ai-safety-report-2025>

33 Seger, E. & O’Dell, B. (2025). Open Horizons: Exploring nuanced technical and policy approaches to openness in AI. <https://demos.co.uk/research/open-horizons-exploring-nuanced-technical-and-policy-approaches-to-openness-in-ai/>

SPECIFIC RECOMMENDATIONS FOR THE UK AI BILL

We present a series of specific recommendations that will help achieve each of the high-level goals for the UK AI Bill described above.

1. For preventing open-source from getting regulated out of existence	
1a	Primarily aim to mitigate AI harm by deploying targeted interventions throughout the AI lifecycle based on model capability or specific risk pathways, not blanket rules. Blanket rules tend to capture too much, can be less effective at mitigating harms, and can quickly become outdated. Detailed threat pathway modeling helps ensure key threats are more robustly guarded against by employing interventions throughout the AI lifecycle. This also prevents developers from being unduly regulated in instances where model release may not be the most viable intervention point.
1b	Where thresholds are used to underpin regulation (e.g. to define high risk AI models), ensure the thresholds are flexible to respond to changing AI landscapes. The option to review thresholds and triggers for reviewing thresholds should be built into the UK AI regulation. Threshold review may involve reviewing a threshold level (e.g. cost of training, size of model, benchmark performance) or reviewing whether a different threshold ought to be employed. This recommendation is also highlighted in the California Report on Frontier AI Policy (2025), reflecting on SB 1047.³⁴
1c	Similar to Article 2(12)³⁵ of the EU AI Act, implement regulatory exemptions for open-source model developers. The goal of exemptions is to avoid putting undue regulatory burden on smaller open-source developers (small organisations or individuals) while at the same time encouraging downstream developers and deployers to use open-source models that already meet transparency requirements by the nature of their release strategy. We recommend the UK AI Bill similarly looks to employ exemptions, but improve upon the EU Act in key ways. In the EU AI Act the regulation applies to all models that are “placed on the market” except where released under free and open-source licences. The exemption for open-source models do not apply where the model is considered high-risk or that produces generative content and “interacts directly with individuals”.³⁶ The definition of “high-risk” is based on model size or its context of deployment. Model size is now understood to be an increasingly poor proxy for capability. Meanwhile, a model that “interacts directly with individuals” seems to encapsulate way too much, potentially rendering the regulatory exemption moot. The UK AI Bill must be careful to clarify terminology. Terms like “placed on the market” are also confusing and unclear whether it pertains to open-source models.

34 Bommasani & Singer et al. (June 2025). The California Report on Frontier AI Policy: Joint California Policy Working Group on AI Frontier Models. <https://www.gov.ca.gov/wp-content/uploads/2025/06/June-17-2025-%E2%80%93-The-California-Report-on-Frontier-AI-Policy.pdf>

35 Article 2: Scope. EU Artificial Intelligence Act. <https://artificialintelligenceact.eu/article/2/>

36 Article 50.

1c	To avoid confusion about what it means for a model to be placed on the market or deployed for commercial purposes, exemptions should be strictly risk-based. Identify prohibited use cases and “high risk” domains of deployment, and set thresholds to define models that pose system risks (see 1b). These categories have requirements for model testing, evaluation, transparency, and reporting regardless of whether the base model is open or closed. Outside those bounds, open-source models should be exempt.
2. For actively supporting the open counterpoint to big tech	
2a	Use distributed liability frameworks - like in product safety law - to assign responsibility by role. This is to provide regulatory certainty to businesses and downstream developers looking to adopt open-source tools. The purpose of distributing liability is to ensure undue responsibility does not fall fully on model developers (including small, open-source developers) and to provide clarity to parties adopting AI open models as to their obligations and responsibilities. Lack of distribution was a core reason for the failure of California’s SB 1047.³⁷ Current UK product safety law is set by the Consumer Protection Act 1987, which implements the EU’s former Product Liability Directive (PLD), and the General Product Safety Regulation 2005, which implements the EU’s General Product Safety Directive. These frameworks do distribute responsibility by role, however the actors they focus on (e.g. developers, distributors, importers, users) do clearly cross over to the AI context. New product liability for AI needs to define a different set of actors through the AI lifecycle, and define their responsibilities (e.g., developer, integrator, deployer, host, end user, etc.). AI product liability should also expand beyond the traditional understanding of material harm to account for broader impacts on society and human rights.
3. For harnessing AI openness to underpin AI safety	
3a	Similar to Article 13 of the EU AI Act,³⁸ implement transparency requirements for proprietary model developers. Transparency requirements should pertain to sharing information about training data set characteristics, safety testing and risk assessments, security practices, instructions for use. This information-sharing ensures downstream developers have the necessary information to responsibly integrate and monitor potentially high-risk systems (in turn enabling them to meet their own transparency and product liability requirements). It also enables more effective third party oversight and provides a mechanism for underpinning greater public trust. Open-source model developers would be exempt (see 1c) as the nature of open-source model release as it is defined in the Bill should already satisfy these transparency requirements.

37 Bommasani & Singer et al. (June 2025). The California Report on Frontier AI Policy: Joint California Policy Working Group on AI Frontier Models. <https://www.gov.ca.gov/wp-content/uploads/2025/06/June-17-2025-%E2%80%93-The-California-Report-on-Frontier-AI-Policy.pdf>

38 Article 13: Transparency and Provision of Information to Deployers. EU Artificial Intelligence Act. <https://artificialintelligenceact.eu/article/13/>

3a	Transparent information sharing is also a core recommendation highlighted in the California Report on Frontier AI Policy (2025), reflecting on SB 1047. ³⁹
3b	Develop mechanisms for and institute “adverse event” reporting requirements for AI deployers. Reporting by deployers should be mandatory where systems are deployed in high risk contexts. Adverse event reporting systems - modeled on those used in healthcare and other safety critical domains - enable developers, users, and regulators to share information on incidents, reduce knowledge gaps, and coordinate mitigation efforts. A government-administered incident reporting system would provide a low-burden, data-driven foundation for monitoring the societal impact of AI technologies and maintaining up-to-date regulation in response.
3c	Define as part of AISI’s role the sharing of AI safety research insights and open-sourcing AI safety tooling. By setting benchmarks and open-sourcing safety tooling, AISI could strengthen the UK’s AI assurance sector and wield significant soft power, influencing global AI safety standards. To balance security and openness, careful consideration is needed around when and how new evaluation tools are released.

CONCLUSION

Alongside the AI Opportunities Action Plan, forthcoming AI regulation provides a key opportunity to lay foundations for a thriving AI ecosystem in the UK by capitalising on the benefits of AI openness. As the UK AI Bill continues to take shape, we urge its architects to take the potential risks of open-source frontier models seriously, but not to see doing so as a direct trade-off to supporting AI openness more broadly. Regulation supporting openness through clearer liability frameworks, transparency requirements, and public incident reporting are part of the safety solution and will help underpin a thriving open-source ecosystem in the UK.

³⁹ Bommasani & Singer et al. (June 2025). The California Report on Frontier AI Policy: Joint California Policy Working Group on AI Frontier Models. <https://www.gov.ca.gov/wp-content/uploads/2025/06/June-17-2025-%E2%80%93-The-California-Report-on-Frontier-AI-Policy.pdf>

Licence to publish

Demos – Licence to Publish

The work (as defined below) is provided under the terms of this licence ('licence'). The work is protected by copyright and/or other applicable law. Any use of the work other than as authorized under this licence is prohibited. By exercising any rights to the work provided here, you accept and agree to be bound by the terms of this licence. Demos grants you the rights contained here in consideration of your acceptance of such terms and conditions.

1 Definitions

a 'Collective Work' means a work, such as a periodical issue, anthology or encyclopedia, in which the Work in its entirety in unmodified form, along with a number of other contributions, constituting separate and independent works in themselves, are assembled into a collective whole. A work that constitutes a Collective Work will not be considered a Derivative Work (as defined below) for the purposes of this Licence.

b 'Derivative Work' means a work based upon the Work or upon the Work and other pre-existing works, such as a musical arrangement, dramatization, fictionalization, motion picture version, sound recording, art reproduction, abridgment, condensation, or any other form in which the Work may be recast, transformed, or adapted, except that a work that constitutes a Collective Work or a translation from English into another language will not be considered a Derivative Work for the purpose of this Licence.

c 'Licensor' means the individual or entity that offers the Work under the terms of this Licence.

d 'Original Author' means the individual or entity who created the Work.

e 'Work' means the copyrightable work of authorship offered under the terms of this Licence.

f 'You' means an individual or entity exercising rights under this Licence who has not previously violated the terms of this Licence with respect to the Work, or who has received express permission from Demos to exercise rights under this Licence despite a previous violation.

2 Fair Use Rights

Nothing in this licence is intended to reduce, limit, or restrict any rights arising from fair use, first sale or other limitations on the exclusive rights of the copyright owner under copyright law or other applicable laws.

3 Licence Grant

Subject to the terms and conditions of this Licence, Licensor hereby grants You a worldwide, royalty-free, non-exclusive, perpetual (for the duration of the applicable copyright) licence to exercise the rights in the Work as stated below:

a to reproduce the Work, to incorporate the Work into one or more Collective Works, and to reproduce the Work as incorporated in the Collective Works;

b to distribute copies or phono-records of, display publicly, perform publicly, and perform publicly by means of a digital audio transmission the Work including as incorporated in Collective Works; The above rights may be exercised in all media and formats whether now known or hereafter devised. The above rights include the right to make such modifications as are technically necessary to exercise the rights in other media and formats. All rights not expressly granted by Licensor are hereby reserved.

4 Restrictions

The licence granted in Section 3 above is expressly made subject to and limited by the following restrictions:

a You may distribute, publicly display, publicly perform, or publicly digitally perform the Work only under the terms of this Licence, and You must include a copy of, or the Uniform Resource Identifier for, this Licence with every copy or phono-record of the Work You distribute, publicly display, publicly perform, or publicly digitally perform. You may not offer or impose any terms on the Work that alter or restrict the terms of this Licence or the recipients' exercise of the rights granted hereunder. You may not sublicense the Work. You must keep intact all notices that refer to this Licence and to the disclaimer of warranties. You may not distribute, publicly display, publicly perform, or publicly digitally perform the Work with any technological measures that control access or use of the Work in a manner inconsistent with the terms of this Licence Agreement. The above applies to the Work as incorporated in a Collective Work, but this does not require the Collective Work apart from the Work itself to be made subject to the terms of this Licence. If You create a Collective Work, upon notice from any Licensor You must, to the extent practicable, remove from the Collective Work any reference to such Licensor or the Original Author, as requested.

b You may not exercise any of the rights granted to You in Section 3 above in any manner that is primarily intended

for or directed toward commercial advantage or private monetary compensation. The exchange of the Work for other copyrighted works by means of digital file sharing or otherwise shall not be considered to be intended for or directed toward commercial advantage or private monetary compensation, provided there is no payment of any monetary compensation in connection with the exchange of copyrighted works.

c If you distribute, publicly display, publicly perform, or publicly digitally perform the Work or any Collective Works, you must keep intact all copyright notices for the Work and give the Original Author credit reasonable to the medium or means You are utilizing by conveying the name (or pseudonym if applicable) of the Original Author if supplied; the title of the Work if supplied. Such credit may be implemented in any reasonable manner; provided, however, that in the case of a Collective Work, at a minimum such credit will appear where any other comparable authorship credit appears and in a manner at least as prominent as such other comparable authorship credit.

5 Representations, Warranties and Disclaimer

a By offering the Work for public release under this Licence, Licensor represents and warrants that, to the best of Licensor's knowledge after reasonable inquiry:

i Licensor has secured all rights in the Work necessary to grant the licence rights hereunder and to permit the lawful exercise of the rights granted hereunder without You having any obligation to pay any royalties, compulsory licence fees, residuals or any other payments;

ii The Work does not infringe the copyright, trademark, publicity rights, common law rights or any other right of any third party or constitute defamation, invasion of privacy or other tortious injury to any third party.

b Except as expressly stated in this licence or otherwise agreed in writing or required by applicable law, the work is licenced on an 'as is' basis, without warranties of any kind, either express or implied including, without limitation, any warranties regarding the contents or accuracy of the work.

6 Limitation on Liability

Except to the extent required by applicable law, and except for damages arising from liability to a third party resulting from breach of the warranties in section 5, in no event will licensor be liable to you on any legal theory for any special, incidental, consequential, punitive or exemplary damages arising out of this licence or the use of the work, even if licensor has been advised of the possibility of such damages.

7 Termination

a This Licence and the rights granted hereunder will terminate automatically upon any breach by You of the terms of this Licence. Individuals or entities who have received Collective Works from You under this Licence, however, will not have their licences terminated provided such individuals or entities remain in full compliance with those licences. Sections 1, 2, 5, 6, 7, and 8 will survive any termination of this Licence.

b Subject to the above terms and conditions, the licence granted here is perpetual (for the duration of the applicable copyright in the Work). Notwithstanding the above, Licensor reserves the right to release the Work under different licence terms or to stop distributing the Work at any time; provided, however that any such election will not serve to withdraw this Licence (or any other licence that has been, or is required to be, granted under the terms of this Licence), and this Licence will continue in full force and effect unless terminated as stated above.

8 Miscellaneous

a Each time You distribute or publicly digitally perform the Work or a Collective Work, Demos offers to the recipient a licence to the Work on the same terms and conditions as the licence granted to You under this Licence.

b If any provision of this Licence is invalid or unenforceable under applicable law, it shall not affect the validity or enforceability of the remainder of the terms of this Licence, and without further action by the parties to this agreement, such provision shall be reformed to the minimum extent necessary to make such provision valid and enforceable.

c No term or provision of this Licence shall be deemed waived and no breach consented to unless such waiver or consent shall be in writing and signed by the party to be charged with such waiver or consent.

d This Licence constitutes the entire agreement between the parties with respect to the Work licenced here. There are no understandings, agreements or representations with respect to the Work not specified here. Licensor shall not be bound by any additional provisions that may appear in any communication from You. This Licence may not be modified without the mutual written agreement of Demos and You.

DEMOS

Demos is a champion of people, ideas and democracy. We bring people together. We bridge divides. We listen and we understand. We are practical about the problems we face, but endlessly optimistic and ambitious about our capacity, together, to overcome them.

At a crossroads in Britain's history, we need ideas for renewal, reconnection and the restoration of hope. Challenges from populism to climate change remain unsolved, and a technological revolution dawns, but the centre of politics has been intellectually paralysed. Demos will change that. We can counter the impossible promises of the political extremes, and challenge despair – by bringing to life an aspirational narrative about the future of Britain that is rooted in the hopes and ambitions of people from across our country.

Demos is an independent, educational charity, registered in England and Wales. (Charity Registration no. 1042046)

Find out more at www.demos.co.uk

DEMOS

PUBLISHED BY DEMOS SEPTEMBER 2025

© DEMOS. SOME RIGHTS RESERVED.

15 WHITEHALL, LONDON, SW1A 2DD

T: 020 3878 3955

HELLO@DEMOS.CO.UK

WWW.DEMOS.CO.UK