



Press Release

Why Technology Should Not Be Regulated Like Finance

ALLISON EDWARDS | SEPTEMBER 30, 2020

Some critics of Big Tech have called for modeling new regulations on those found in finance, specifically a “Glass-Steagall” regulation to prevent companies from selling on their own platforms, and a new separate and specialized Consumer Financial Protection Bureau-like agency focused on digital platforms for consumer and data protection. The analogy between the largest tech platforms and banking is misguided, contends AAF’s Director of Technology and Innovation Policy Jennifer Huddleston, and these proposals would likely increase regulation on data without any meaningful consumer benefits. Rather than looking at the financial services sector as a model for regulating the tech industry, policymakers should instead consider how the lighter regulatory approach to technology could spur innovation in other industries.

An excerpt:

There are important lessons to learn from financial regulation for the current policy conversation around Big Tech—just not the lessons that advocates of finance-style regulations might want. The lessons policymakers should learn from past financial regulation is that even well-intentioned regulation can have consequences and tradeoffs as well as fail to solve the underlying concerns.

Instead of moving toward a regulatory approach similar to the financial sector, policymakers should seek smaller and more focused changes to technology’s regulatory regime. Continuing to focus on clearly defined harms and creating targeted reforms to address problems is the approach that is most likely to balance the benefits of innovation with protecting and redressing potential harm.

[Read the analysis.](#)