

## Public Policy & Regulatory Affairs Review: Q2 2026

### Five things to know:

#### 1. ICO Refines Guidance on Cookies & Tracking Technologies

On 29 April 2026, the UK Information Commissioner's Office (ICO) released updated [guidance](#) regarding storage and access technologies (such as cookies) under the Privacy and Electronic Communications Regulations (PECR).

Key takeaways include:

- **Specific Recognition of Cashback & Rewards:** The guidance now includes a specific example that storage and access technologies used for cashback and reward services may be considered 'strictly necessary' in certain contexts.
- **Affiliate Marketing Consent Clarification:** The guidance also now includes an example which clarifies that technologies used for attribution in wider affiliate marketing require user consent, unless they meet the high bar of being strictly necessary for the service.

The revised wording seeks to clarify the law: it alters neither the statute nor its interpretation.

Significant changes to consent will be limited to those determined by the ICO (and subject to UK Government approval and a change in the law) to be 'low-risk' (see below).

We believe this strengthens the hand of affiliates impacted in pushing for the specific exemption.

## 2. Potential Consent Exemptions on the Horizon

While the rules may now be clearer, significant changes are expected by the end of May 2026.

The ICO is set to deliver formal advice to the UK Government concerning 'low-risk' privacy exemptions. The Government will then consult on these and introduce specific legislation under the Data (Use and Access) Act 2025. This is expected to lower the consent hurdle for some activities.

For a comprehensive look at the legislative framework, please refer to the [APMA Briefing on the Data \(Use and Access\) Act 2025](#).

## 3. APMA Advocates for Affiliate Interests in CMA Consultation

On 6 May 2026, the APMA met with UK Competition & Markets Authority (CMA) officials to discuss proposed [measures](#) regarding Google's search services in the UK.

The meeting aimed to clarify and reinforce the APMA's points in its [response](#) to the consultation, specifically to:

- Provide the CMA with a comprehensive overview of the vital role the UK affiliate marketing sector plays in the digital economy;
- Advocate for measures that safeguard publisher visibility and ensure long-term traffic stability; and
- Clarify how proposed search reforms must evolve to protect the sustainability of the affiliate marketing ecosystem.
- The APMA shared The State and Voice of the Nation reports and will also share the Publisher Survey on the impact of AI Search on their businesses if we receive enough responses.

## 4. EU Extends Timeline for AI Regulation: A Win for Innovation?

In a move aimed at balancing safety with global competitiveness, EU legislators have [delayed](#) the implementation of restrictions on high-risk AI systems.

Previously scheduled to take effect in August 2026, the enforcement of rules surrounding AI in sensitive sectors, such as healthcare, education, recruitment, and credit scoring, has now been pushed back to December 2027.

Businesses also now have an additional three-month window to meet new requirements for watermarking AI-generated content.

The updated text also explicitly bans AI systems capable of generating sexualized ‘deepfakes’ of identifiable individuals.

This extension follows mounting pressure from the US and warnings from industry leaders that over-regulation could stifle Europe’s position in the global AI race.

However, European Commission (EC) President Ursula von der Leyen framed the delay as a strategic pivot, stating the change fosters a *“simple, innovation-friendly environment in Europe”* while maintaining a commitment to strengthening citizen protections.

## 5. The Continuing ‘Personal Data War’: European Commission v EU Regulators

The EU’s proposed reform of the GDPR [continues](#) to be slowed down by disagreements on the definition of personal data, the foundation upon which all GDPR protections are built.

In late 2025, the EC proposed narrowing the definition of personal data, seeking to exclude data that cannot be reasonably linked to an individual by the holding organisation, even if another entity possesses the means to identify them.

EU regulators, including the European Data Protection Board (EDPB) and the European Data Protection Supervisor (EDPS), are fiercely opposing this shift.

They argue that narrowing the definition ignores recent court rulings and would create significant loopholes for Big Tech and AI developers to exploit. The European Council (national governments) has proposed a compromise that leans toward maintaining broader protections.

All eyes are now on the June discussions between the EU, European Parliament and the European Council (known as [‘trilogues’](#)).

If the Council holds its ground, the EC’s attempt to scale back the definition will likely be ‘dead on arrival’.

For businesses, this suggests that the GDPR’s current broad reach is here to stay, maintaining the high compliance bar currently in place for data processing across the EU.

## But also keep an eye on:

### The advertising rules on the disclosure and enforcement of AI-generated content

The regulatory landscape for AI-generated content is shifting rapidly, with both the EU and UK refining their expectations for brand transparency.

The EC is currently developing a [Code of Practice](#) focused on the clear labelling of AI-generated content, including deepfakes and other synthetic audio- images, video and text. Transparency rules for ‘low-risk’ AI systems (e.g., chatbots, AI-generated text) will take effect in August 2026 as originally proposed.

While the UK has not yet introduced AI-specific advertising rules, the Committee for Advertising Practice (CAP) has signalled a rigorous stance in its recently published [2025 Annual Report](#).

Rather than waiting for new laws and regulations, CAP urges brands to apply a simple litmus test: “Would my audience feel misled if they knew AI was used here?”.

Advertisers are encouraged to exercise extreme caution with synthetic techniques that could blur the line between reality and fiction, ensuring that innovation never comes at the cost of consumer trust.

## Movers & shakers

As the ICO prepares its transition into the Information Commission, a move mandated by the Data Use and Access Act (DUAA) and slated for completion by mid-2026, [significant leadership changes](#) are already in motion.

Within the next few weeks, seven Non-Executive Directors (NEDs) are expected to be appointed to the new Commission's Board.

These appointments mark a pivotal shift in the regulator's focus. With a fresh mandate to balance robust information rights with the demands of economic innovation, the incoming board members are widely anticipated to be heavyweights from the tech and business sectors.