

Compliance & Risk

Volume 12 Issue 3

May/June 2023

Headlines

- TikTok fined £12.7m for illegally processing children's data, p.17
- FCA sets out steps to improve whistleblower confidence, p.18
- Water companies to be fined for failing to monitor sewage spills from 2025, p.19

Contents

Recent developments in Irish employment law 2

Health and Safety leadership: the importance of safety messaging in setting the right safety culture 6

Why views on rules-based compliance systems need an overhaul amid the AI rush 10

News & Views 15

Temporary bans on ChatGPT as regulators consider AI regulation

In April 2023, the Italian data protection authority became the first western regulator to block the use of the advanced chatbot, ChatGPT, joining a variety of other nations, including Russia and China, in banning its use. A number of countries set up temporary embargoes on the technology created by a US start-up and supported by Microsoft, stating that there are privacy concerns surrounding its use.

The launch of the artificial intelligence (AI) chatbot, in November 2022, was accompanied by a discussion of the potential risks

posed by AI systems, with particular focus on controlling the spread of misinformation, as well as the perceived threat to jobs. Globally, regulators are expressing concerns about the speed at which such systems are advancing, and the fact that the regulation of their use is lagging behind their development.

The Italian data protection authority opened an investigation into ChatGPT and its creator, the US company OpenAI, and banned the use of the technology for several weeks. The regulator said the investigation would

focus on whether the chatbot complies with the General Data Protection Regulation.

The Italian authority referred to "the mass collection and storage of personal data for the purpose of 'training' the algorithms underlying the operation of the platform", which it described as unjustified, and also expressed concerns that the system exposes minors to harm as it has no methods for verifying the age of users.

Under threat of a penalty

[\(Continued on page 15\)](#)

SEC makes largest-ever award of nearly \$279m to whistleblower

On 5 May 2023, the US financial markets regulator, the Securities and Exchange Commission (SEC), announced that it had paid out its highest ever award to a whistleblower "whose information and assistance led to the successful enforcement of SEC and related actions".

The payment just short of \$279m, more than double the previous record amount of \$114m, was made to an unnamed

individual. To protect the anonymity of the whistleblower, the regulator's order, which was heavily redacted, did not give details of the enforcement actions that resulted in the award.

Nicole Creola Kelly, head of the SEC's whistleblower office, said, "The whistleblower's sustained assistance including multiple interviews and written submissions was critical

to the success of these actions".

She further explained, "While the whistleblower's information did not prompt the opening of the SEC's investigation, their information expanded the scope of misconduct charged".

The SEC's order said that two other people had come forward

[\(Continued on page 15\)](#)