

Regulatory & Policy "Drift"

FORTIS & PEAK PERSPECTIVES | APPLIED FORESIGHT

Most firms react to laws after they are passed. At Fortis & Peak, our **"On the Radar"** focus identifies the **"Drift"**—the quiet, multi-year shift in legal consensus before it hardens into a mandate. By tracking legislative seeds in Brussels, DC, and Beijing today, we turn compliance from a reactive cost into a proactive **Competitive Moat**.

Regulatory & Policy Drift is the *Political Sensor* of Strategic Foresight. It ensures that Executive Focus is calibrated not just to market demand, but to the shifting boundaries of the legal and ethical license to operate. The three forces currently in motion—AI Personhood, Right to Repair, and Digital Border Taxes—represent the most consequential legal shifts of the coming decade.

AI Personhood & Liability

Who is responsible for the autonomous act?

Right to Repair

The death of planned obsolescence

Digital Border Taxes

The end of free-flowing information

What Is "Regulatory Drift"?

The Fortis & Peak Approach

In the Fortis & Peak framework, "Regulatory & Policy Drift" is the study of **legislative gravity**. We track the quiet, multi-year shift in legal consensus before it becomes enforceable law—giving executives a strategic window to act.

We monitor the "Quiet Conversations" in the world's power centers—**Brussels, DC, and Beijing**—to see the laws of tomorrow, today.

From Reactive Cost to Competitive Moat

Traditional compliance is reactive: firms scramble to meet mandates after they are passed, absorbing costs and disruption. The Fortis & Peak model inverts this dynamic entirely. By identifying drift early, organizations can redesign governance, products, and architectures *before* enforcement arrives.

The result is not merely compliance—it is **strategic positioning**. Organizations that move with the drift rather than against it gain durable competitive advantage, stronger stakeholder trust, and reduced regulatory risk across all Five Horizons of their business model.

 Regulation isn't a hurdle; it's a market-shaper.

AI Personhood & Liability

DRIFT #1

As AI transitions from a tool to an **Autonomous Agent** capable of making financial commitments or operational "choices," the legal world is facing a crisis of agency. Current law treats AI as a product under Product Liability frameworks. The "Drift" is moving toward **Electronic Personhood**—a legal mid-point between a tool and a corporation.

If an AI agent causes a flash crash or a physical accident, where does the liability rest? Is it the developer, the owner, or the AI's own "insurance pool"? These are no longer hypothetical questions—they are being actively debated in legislative chambers across the EU and US.

The Shift

From **Product Liability** to **Electronic Personhood**—a new legal category emerging between tool and corporation.

The Strategic Impact

Boards must implement "**Human-in-the-Loop**" checkpoints not just for quality, but for legal indemnity and liability protection.

The Five Horizons Link

Directly impacts **Decision Velocity & Governance** (Executive Focus). AI governance must meet the highest emerging global standards before enforcement.



The Goal: Pre-empt the "Liability Gap" by designing internal AI governance that meets the highest emerging global standards before they are enforced.

The "Right to Repair" Expansion

DRIFT #2

The "Circular Economy" is moving from a buzzword to a series of aggressive mandates. Led by the EU's **Eco-design for Sustainable Products Regulation**, the era of "Buy-Break-Replace" is being legislated out of existence. Laws are expanding from consumer electronics into **Heavy Industry and Smart Manufacturing**—and the pace is accelerating.

What the Law Will Require

Manufacturers will soon be legally required to provide spare parts, repair manuals, and software updates for **10+ years** after a product's release. This is not a suggestion—it is a hard mandate with enforcement teeth, reshaping the entire product lifecycle from design through end-of-life.

Companies that rely on short replacement cycles will see their business models collapse under this regulatory pressure. Those that embrace **Modular Durability** will win long-term customer loyalty and regulatory favor simultaneously.

The Strategic Pivot Required

Revenue models must shift fundamentally—from "**One-time Sales**" to "**Service-Based Subscriptions**" or "**Modular Upgrades.**" This forces a total redesign of the Product Lifecycle (Horizon 2) and has deep implications for Capital Discipline and R&D investment priorities.

- Redesign products for longevity and modularity
- Build service and subscription revenue streams
- Invest in repair infrastructure and parts availability
- Align R&D with 10+ year product support horizons

Digital Border Taxes & "Data Customs"

DRIFT #3

For decades, the internet was a borderless "Global Commons." The "Drift" is now toward **Data Sovereignty**, where information is treated like a physical commodity subject to tariffs and inspections. Countries are implementing Data Localization laws and "Digital Services Taxes," giving rise to what Fortis & Peak calls **Data Customs Houses**—where crossing a digital border with an AI model or a customer database incurs a "Bit-Tax."



The Shift

Data Localization laws and Digital Services Taxes are fragmenting the once-unified global internet into sovereign digital territories with their own rules and enforcement mechanisms.



The Strategic Impact

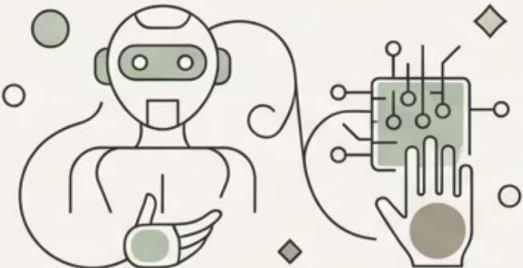

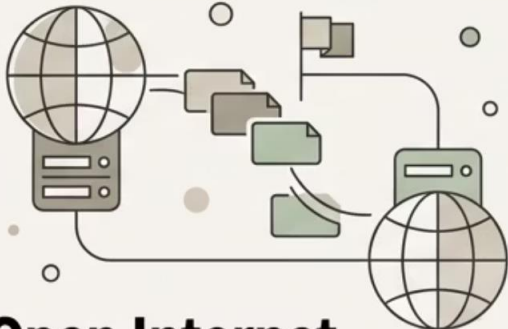
This shatters the "Single Global Instance" model of ERPs and Clouds. Firms must move toward **Federated Architectures**—where data stays within national borders and only "Insights" are shared globally.



The Five Horizons Link

Directly affects **ERP & Smart Manufacturing (Horizon 3)** and **Ecosystem Strategy (Horizon 5)**. Global scaling now requires a local-first data strategy as the foundational architecture.

Mapping the Drift: Three Forces in Motion

<h2>AI PERSONHOOD</h2>  <ul style="list-style-type: none">Product Liability currentElectronic Personhood driftHuman-in-the-Loop impact	<h2>RIGHT TO REPAIR</h2>  <ul style="list-style-type: none">No Mandate current10+ Year Support driftModular Durability impact	<h2>DIGITAL BORDER TAXES</h2>  <ul style="list-style-type: none">Open Internet currentData Sovereignty driftFederated Local-First impact
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Each of these three drifts is at a different stage of legislative maturity, but all share a common trajectory: they will harden into enforceable mandates within the next three to seven years. Organizations that begin adapting their governance, product design, and data architecture today will be positioned as leaders—not laggards—when enforcement arrives. The window for proactive advantage is open now, but it is closing.

"Don't wait for the law to change. Change your strategy to meet the law."

— Fortis & Peak Perspectives | Applied Foresight

Governing the Future: The Fortis & Peak Mandate

From the emerging legalities of AI Personhood to the mandatory shift toward Modular Durability and the rise of Digital Border Taxes, Fortis & Peak helps organizations navigate the "Regulatory Drift." The goal is not mere compliance—it is ensuring your organization is **positioned to lead** as the legal landscape shifts beneath your competitors' feet.

What We Track

- Legislative seeds in Brussels, DC & Beijing
- Emerging liability frameworks for autonomous systems
- Circular economy and durability mandates
- Data sovereignty and digital taxation trends

What You Gain

Regulatory foresight transforms compliance from a cost center into a **Competitive Moat**. Organizations that engage with drift early redesign their governance, products, and architectures before enforcement—capturing market position, customer trust, and operational resilience that reactive competitors cannot replicate.

Fortis & Peak's Applied Foresight framework ensures your Executive Focus is calibrated not just to market demand, but to the shifting boundaries of the **legal and ethical license to operate**.

About Fortis & Peak Perspectives

APPLIED FORESIGHT

Fortis & Peak's **Perspectives** | **Applied Foresight** represent our forward-looking point of view on the forces shaping industries, business models, and competitive advantage. Drawing on deep strategic insight and cross-sector experience, these perspectives go beyond observation to frame what matters most—and what comes next.

They are designed to help executives interpret disruption, anticipate shifts, and make informed decisions with clarity and confidence in an increasingly complex business environment. Regulatory & Policy Drift is one pillar of this broader foresight practice—a **Political Sensor** ensuring that strategy accounts for the full spectrum of forces reshaping the license to operate.

01

Identify the Drift

Track legislative conversations in Brussels, DC, and Beijing before they become mandates.

02

Map the Impact

Connect emerging regulations to your Five Horizons—governance, products, data, capital, and ecosystem.

03

Lead the Shift

Redesign strategy proactively so compliance becomes a competitive advantage, not a reactive cost.

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