

Exploring regulatory pathways toward the safe adoption of autonomous vehicles



FEBRUARY 3, 2026 4 MIN READ

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Key Takeaways

- Canada and the U.S. have diverse regulatory approaches for autonomous vehicles, relying on federal and provincial/state frameworks.
- In Canada, the federal *Motor Vehicle Safety Act* permits exemptions for AVs, while provinces regulate drivers and insurance.
- The U.K. employs a national regulatory framework under the *Automated Vehicles Act 2024*, limiting local adjustments.

Introduction

Supporting the development and safe adoption of autonomous vehicles (AVs) is a goal shared by many regulators around the world. However, there is no one-size-fits-all approach when it comes to setting regulations in such a fast-paced and ever-changing environment. While Canada and the United States share a similar approach where regulatory powers are divided between federal and provincial/state governments, the United Kingdom (U.K.) has opted for a singular national approach.

Canada

Federal regulation

The federal government in Canada sets the standard for the manufacturing and importation of all motor vehicles in Canada through the *Motor Vehicle Safety Act* (MVSA). This includes specific technical standards, licensing requirements and penalties for non-compliance.

Through a 2018 amendment, companies can now apply for their vehicles to be granted an exemption from the MVSA if it is related to the development of "new kinds of vehicles, technologies, vehicle systems or components."^[1] Through this process, vehicles like those with autonomous driving capabilities can be imported into Canada even if they do not otherwise meet the MVSA requirements.

In addition to the MVSA, Transport Canada and the Canadian Council of Motor Transportation Administrators have each released various guidelines on the best practices that should be followed when testing AVs in Canada.

Provincial regulation

Compared to the federal framework, provinces and territories have a different focus and are responsible for regulating the drivers, insurance, liability, vehicle maintenance and traffic laws within their jurisdiction.

Currently, there is no standardized approach to regulating AVs across the Canadian provinces and territories. However, some provinces (like Ontario) have pilot programs to encourage the development and adoption of AV technologies that combine the previously mentioned federal guidelines with province-specific requirements on driver involvement and insurance.

United States

At the federal level in the United States, regulation focuses primarily on vehicle safety standards, while state regulation governs testing, deployment and other operational requirements. The National Highway Traffic Safety Administration has issued several AV-related guidelines and is actively working to modernize the Federal Motor Vehicle Safety Standards, including updates to requirements applicable to components such as gear selectors to accommodate autonomous vehicles that do not have traditional driver-operated controls within the passenger cabin.^[2]

At the state level, regulators have introduced additional conditions that must be satisfied before AVs may be deployed and operated on public roads. For example, California has implemented a permit-based regime that sets out requirements relating to insurance, vehicle monitoring and interaction with law enforcement.^[3]

In both Canada and the U.S., the federal regulations and guidelines establish a baseline framework for overall vehicle safety, upon which individual provinces and states build by imposing jurisdiction-specific requirements governing the testing and operation of autonomous vehicles.

United Kingdom

The United Kingdom has adopted AV regulations at the national level. The regulatory framework is primarily established through the Automated Vehicles Act 2024, which addresses a range of issues including autonomous ride-hailing services, liability allocation, AV safety requirements and the use of marketing terminology related to automation.^[4]

Under the U.K. regulatory regime, there is less flexibility for local governments to tailor regulatory requirements to local conditions or objectives.

At present, the U.K. government has indicated that it aims to see autonomous ride-hailing pilot projects deployed as early as spring 2026.^[5]

Moving forward

While Canada may have a two-tiered regulatory approach to AVs, that does not prevent the Canadian regulatory landscape from being harmonized across the different levels of government.

The Ontario Automated Commercial Motor Vehicle Pilot Program is a great example of how federal and provincial regulations work in tandem to encourage the development of AVs. For example, Ontario's pilot program acknowledges the federal guidelines and encourages participants to reference them as starting points. Province-specific requirements are also applied to ensure participants are in compliance with local traffic laws and other requirements.

Moving forward, we expect further convergence at the provincial level where pilot projects and future regulations are built on top of existing standards set by the federal government.

[1] An Act to amend the Motor Vehicle Safety Act and to make a consequential amendment to another Act, s. 9(1)(b).

[2] Road Rules: Governing the Global Shift to Autonomy, National Highway Traffic Safety Administration.

[3] Autonomous Vehicles Tests without a Driver, California Department of Motor Vehicles.

[4] Automated Vehicles Act 2024 implementation, Gov UK.

[5] Lyft and Uber to trial driverless cars in London in 2026, FleetEurope.