

Modernising Business Regulation Initiative to Enhance Productivity

Modernising Business Regulation

Improve quality of existing regulation (PEMUDAH)

Ministry Perspective (Vertical)

Business Perspective (Horizontal)

Thematic - e.g.: World Bank Doing Business Report

Processes to realize the desired objectives & outcomes

- ① Baseline Study
- ② Assess & Provide Recommendation
- ③ Monitoring & Evaluation

Reducing Unnecessary Regulatory Burden (RURB), Cutting Red Tape (CURE) and Business Process Reengineering (BPR)

Ensure good quality of new regulation (NDPC)

Adequacy criteria

Gate-keeper

Transparency & Accountability

Key Activity:

- ① Build gate-keeper function
- ② Build assessor audit function
- ③ Promote adequacy criteria

Regulatory Impact Assessment (RIA)

Elements to Ensure Quality of New Regulations

**BENCHMARK INTERNATIONAL
GOOD REGULATORY PRACTICES**

**GATEKEEPING
ROLE**

**CONFORM TO
ADEQUACY
CRITERIA**

**PUBLIC
CONSULTATION**
❖ **TRANSPARENCY**
❖ **ACCOUNTABILITY**

REQUIREMENT OF RIA

STANDARD REGULATION - MAKING
❖ **STRUCTURED & SYSTEMATIC**

Regulatory Process Requirements

Every Ministry/Regulator should :

- Appoint Regulatory Coordinator(s)
- Develop and maintain a system to manage the regulatory process
- Ensure new regulations to be in accordance with the defined process
- Ensure regulations to serve defined objectives
- Examine alternatives, assess impact, hold consultations & define implementation strategy
- Explain proposals to stakeholders, maintain process records & train personnel

Policies for Regulatory Management System (RMS)

1. They can demonstrate that a problem or risk exists, government intervention is justified and regulation is the best alternative and that the objectives and problems that any regulation addresses are clearly defined.
2. Stakeholders are effectively consulted, and that they have an opportunity to participate in developing or modifying regulations and regulatory programmes.
3. An impact analysis is conducted to demonstrate that the benefits outweigh the costs to citizens, their government and businesses.
4. Adverse impacts on the capacity of the economy to generate wealth and employment are minimized and no unnecessary regulatory burden is imposed on any party.

Policies for Regulatory Management System (RMS)

5. In particular, regulatory authorities must ensure that:
 - Information and administrative requirements are limited to what is absolutely necessary and that they impose the least possible cost;
 - Regulatory initiatives are not based on narrow interests of one agency or interest groups but address overall national concerns in a balanced manner; and
 - Special circumstances of small businesses are addressed; and; parties proposing equivalent means to conform to regulatory requirements are given positive consideration.
6. Systems are in place to manage regulatory resources effectively.

Policies for Regulatory Management System (RMS)

7. In particular, regulatory authorities must ensure that:
 - The Regulatory Process Management Requirements published by the NDPC are followed;
 - Alternatives, including self-regulation, are considered and the optimum approach selected that efficiently and effectively address the issue;
 - Compliance and enforcement policies are published to ensure transparency, as appropriate;
 - Regulations promote implementation based on fairness and integrity;

Policies for Regulatory Management System (RMS)

8. In particular, regulatory authorities must ensure that:

- Resources have been approved and are adequate to discharge enforcement responsibilities effectively;
- Adequate preparation is made for implementation;
- Early circulation/announcements are made to facilitate implementation; and; and
- All related directives from Cabinet concerning policy objectives and law making are followed.

Policies for Regulatory Management System (RMS)

9. Regulations are consistent with international and intergovernmental agreements and take advantage of the opportunities for coordination.
10. Regulatory authorities must ensure that programmes on all regulations are reviewed once every 5 years to continue suitability.