



Asia-Pacific
Economic Cooperation



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GOOD REGULATORY PRACTICES BLUEPRINT FOR APEC

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Introduction

Transparency and other good regulatory practices have been a priority for APEC since its inception. The 1999 APEC Leaders Statement noted that:

Open, transparent and well-governed markets, both domestic and international, are the essential foundation of prosperity and enable enterprises to innovate and create wealth.

Since then, structural reform initiatives, conferences, studies, and guides have helped APEC economies to incorporate good regulatory practices (GRPs) in their regulatory frameworks. The APEC-OECD Checklist on Regulatory Reform and other APEC GRP resources continue to remain valid tools for economies to assess their reform efforts. This Blueprint builds on APEC's existing work while incorporating new concepts to kickstart economy reform efforts to bring their regulatory policies into the 21st century.

Good regulatory practices (GRPs) are best practices for rulemaking

GRPs are best practices for rulemaking. Examples include allowing an opportunity for public comment by interested persons on proposed or amended regulatory measures; improving accessibility of information about existing laws and regulatory processes; promoting internal coordination in regulatory policy development; and taking account of available information, science, and evidence in regulatory analysis. GRPs are given effect through the development of laws, rules, regulations, and guidance documents. They can apply to the development of both primary or secondary legislation as well as to any level of government and pertain to regulation of both goods and services. However, it isn't enough that GRP principles exist on paper; they must be put into practice. GRPs promote accountability and build confidence in public governance. For APEC, as an economic forum, the implementation of government-wide practices that advance regulatory quality, and objective analysis can support inclusive growth and prosperity in the APEC region. Common procedures for the rulemaking process can increase trust in government institutions, and strengthen accountability while pursuing active involvement of the private sector, academia, and society as a whole in the process. Applying GRPs can also minimize trade and investment disruptions caused by differing regulatory requirements among economies and support smoother trade in goods and services and more effective functioning of supply chains.

Additionally, trade agreements increasingly promote the effectiveness and efficiency of laws and regulations through provisions that embed GRPs. As trade agreements have become more detailed and ambitious, they have included standalone chapters focused on specific policy areas, and a number of trade agreements have incorporated horizontal chapters on GRPs, international regulatory co-operation (IRC) or both that generally seek to promote a minimum level of GRPs and/or IRC among partners.

This Blueprint is designed as a concise, non-prescriptive mapping of key GRPs and related practices that can guide economy efforts at every stage in the regulatory life cycle, be incorporated into regulatory frameworks to increase transparency, improve regulatory quality, and produce better regulatory outcomes. The information is presented in a short, accessible, easy to read format to foster

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understanding. Each core GRP is identified, its benefits explained, and examples or suggestions are given on specific actions for implementing the practice. The Blueprint offers a menu of actions, both traditional and newer, for economies to consider. The Blueprint can also inform themes and topics economies may wish to propose for future GRP Conferences as well as APEC capacity building projects.

Transparency

Transparency is a foundational principle that underpins the regulatory practices economies could use throughout the entire life cycle of rulemaking, including design, implementation, review and enforcement. Transparency provides greater accountability within government for both institutions and civil servants. Transparency also builds trust in the regulatory policy development process, gives legitimacy to actions taken by governments, and strengthens the acceptance of those actions by an economy's citizens, trading partners, investors, and other affected groups.

In practice this means ensuring that laws, regulations, procedures, and administrative rulings are promptly published and/or made easily accessible online or otherwise made freely available in a manner that enables interested persons to become acquainted with them, and to connect with a relevant authority if additional information or clarification is needed. An economy should aim to publish, in advance draft bills, regulations, and procedures that it proposes to adopt and provide interested persons a reasonable opportunity to comment. Transparency also ensures that there is openness in consultation practices as well as with regard to the sources of information that inform regulatory actions.

GRP I | Support for Laws, Decrees, Regulations, and Policies

A commitment to applying GRPs at the highest levels of government is very important to ensure that they are institutionalized and implemented through a whole of government approach. An economy should set forth core principles and its approach to regulation through means such as foundational laws, decrees, orders, and other policy instruments. This provides guidance and certainty about the rulemaking process that determines how affected persons interact with policy makers. The approach may vary by economy but this base is necessary in order to develop a full GRP framework.

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LIKELY BENEFITS OF THIS GRP

- Articulates an economy's approach to regulation
- Creates a base for implementing specific practices



EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Leadership identifies the need to establish overarching approach to regulatory policy
- Use appropriate legislative, executive or other administrative channels to set out regulatory policy
- Notify laws, decrees, regulations, and other policies based on international agreements
- Seek expert guidance from diverse groups or bodies outside government
- Broadly communicate actions taken


GRP 2 | Institutional Guidance and Mechanisms for Implementation

Supporting institutions, mechanisms, and other processes to guide GRP implementation ensures consistent application of any foundational laws and policies that have been established. These structures, mechanisms, and processes formalize a whole-of-government approach to be followed. Political leaders and policy makers change frequently in many economies and these resources provide stability and a consistent approach in the regulatory policy process. Documents, handbooks, rules, and other tools are ways to put specific GRPs into practice.

LIKELY BENEFITS OF THIS GRP

- Streamlines approach if similar processes and/or templates are used in other economy contexts that can be used as models
- Facilitates public understanding of the regulatory policy process and opportunities for participation
- Reinforces consistent, government-wide implementation of GRPs
- Provides predictability and legitimacy of government decision making and reduces uncertainty
- Encourages more inclusive policies

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Designate a coordinating mechanism or oversight body to ensure consistent implementation of regulatory policy practices and procedures across government agencies
 - Have clearly established regulatory policy development processes and procedures in place applicable for all regulatory authorities. For example:
 - use of a common template for describing a proposed regulation, its intended objectives, and expected impacts
 - procedures specifying when and how draft regulation is shared for public comment
 - specifying standardized compliance transition periods before a regulatory action takes effect
 - Establish quality infrastructure programs including clear policies and procedures on use of standards, conformity assessment, metrology and market surveillance
 - Prepare guidance materials and guidebooks and provide training for regulators and policy officials on applying these practices. Examples could include:
 - a resource on how and what to address when carrying out regulatory analysis and procedures to assess the impact of regulation on certain groups, such as micro, small, and
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medium-size enterprises (MSMEs)

- guidance for regulators on methods and tools on consultation and information for the public about how to participate in the regulatory policy process
- training on the importance of ensuring that regulation complies with the World Trade Organization Agreement on Technical Barriers to Trade (TBT) and the Agreement on Sanitary and Phytosanitary Measures (SPS), and other trade obligations
- developing a checklist for policy makers and regulators to use to ensure TBT and SPS compliance
- developing enforcement and compliance guidance

GRP 3 | Internal Government Coordination and Review

Internal processes and mechanisms for consultation, coordination and review within an economy are intended to produce better regulatory outcomes. Effective coordination can also provide checks and balances across policy priorities in areas such as competition, innovation, reducing excessive regulation, and supporting MSMEs. There may be different coordinating bodies or mechanisms set up for different policy management purposes. Many economies have in place a body or process to evaluate laws and/or regulation before finalization, but high-level support and placement may influence the level of impact such bodies or mechanisms may have.

LIKELY BENEFITS OF THIS GRP

- Minimizes duplication, inconsistencies, and redundancies in regulatory requirements
- Limits conflict with other agency missions and checks that laws and/or regulations reflect the government's policy priorities
- Can help identify how to prevent regulatory actions from placing undue burden on certain groups, with special consideration given to underrepresented or disadvantaged groups such as women and persons with disabilities
- Can ensure compliance with international trade and investment obligations

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Create or maintain bodies or processes at the center of government for reviewing laws and/or regulations with significant economic impact at an early stage and before finalization
- Establish committees, bodies, or processes to evaluate proposed laws and/or regulations at an early stage and before finalization to examine, for example, consistency with other domestic rules or compliance with trade and investment obligations
- Build linkages and promote consultation and communication between quality infrastructure bodies and regulators to support authorities in selecting appropriate standards and conformance tools
- Evaluate whether coordinating bodies are providing appropriate and effective review of laws and/or regulations

GRP 4 | Early Planning

Regulatory forward plans and regulatory agendas can identify regulatory policy priorities and regulation that will be developed, modified or eliminated in the near term. These plans or agendas may be disseminated in various ways. There might be one consolidated document for all central government regulatory authorities, separate plans developed by ministries and agencies, or an announcement of planned primary legislative initiatives. Such plans provide transparency and early notice about actions anticipated in the near term.

LIKELY BENEFITS OF THIS GRP

- Supports transparency of a government's policy priorities
- Provides the public early advance notice of anticipated regulatory actions
- Allows for early input on an action being considered and to engage with interested persons, including those that may be directly affected, at an early stage
- Gives affected persons an opportunity to react to, plan, and prepare for compliance

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Central governments may provide early regulatory planning guidance to regulatory authorities to ensure a consistent approach, quality control and compliance with implementation deadlines
- Prepare and publish regulatory agendas or regulatory plans:
 - post agenda(s) and anticipated regulatory actions online on a central portal or on agency web sites to maximize transparency
 - provide sufficient advance notice of planned actions, every 6-12 months, if practicable
 - provide contact information for the regulator or department responsible for each planned regulatory action in the regulatory agenda so interested persons may communicate with those in charge of developing the measure
- Put in place policies or processes to facilitate interagency review of regulatory agendas to avoid inconsistencies with other agency missions and unintended duplicative requirements



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GRP 5 | Public Consultation

Consultations are the act of seeking input on a planned regulatory action at a stage early enough to incorporate input received. Consultations should be integrated with all phases of policy development, including the selection of alternatives that would best meet the public policy objective(s). The benefit of consultations with potentially affected persons is that regulators can obtain information about the domestic and international implications of an action that can inform the final regulatory approach taken. Consultations should be as inclusive as possible and consider that those who may be affected by regulatory actions may be outside of an economy. Consultation can also provide valuable information at other stages in the life cycle, such as review and enforcement.


Consultations can take various forms, such as public notices in official gazettes, postings on online web sites and platforms, public hearings, and meetings or workshops where a diversity of persons and groups are invited to comment or provide information. These public engagement opportunities can make for better policy and reduce the need to go back and take corrective actions after a measure is already in effect.

LIKELY BENEFITS OF THIS GRP

- Receiving input from all those that may be affected by a planned action can result in a better outcome and reduces the likelihood of concerns arising at a later stage in the process
- Consultations and outreach provide data and information that may not otherwise be available to regulators and can avoid potential unintended consequences
- Engaging with interested persons, and conducting consultations throughout the regulatory development process could build relationships and trust
- Could provide valuable insights into how domestic regulatory actions can have consequences beyond an economy's borders and impact global supply chains

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Employ varied tools to collect input such as workshops, social media, listening sessions, surveys, crowd-sourcing, and more to reach varied audiences. These activities can be supported by APEC, the WTO, OECD, and other fora or organizations. They may vary depending on the nature and significance of the issue or which groups are most likely to be affected by the matter
- Use technology to allow participation in workshops, hearings, and other public meetings from any location
- Prepare resources to guide agencies in how to engage with underrepresented groups such as MSMEs, women, Indigenous Peoples, persons with disabilities, and people from rural and remote areas
- Collaborate early and often with interested persons in the regulatory development process. Consultations should be broad. Extra efforts may be needed to seek out MSMEs, workers' organizations, civil society, foreign investors, and others beyond the traditional individuals and groups typically consulted

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- Provide a clear, easy to understand, explanation of the goals of a planned regulatory action
 - Set requirements for public comment period of adequate duration, ideally at least 60 days for understanding of major economic measures, complex topics, and those with trade and investment impact
 - Explore establishing or maintaining a centralized portal or portals for consultations on laws and/or regulations, or link individual web sites to make searching easier for the public
 - Allow input from all relevant persons regardless of location or domicile
 - Encourage use of plain, easy to understand language in regulatory proposals to facilitate constructive public comments
 - Post substantive comments or a summarize key issues raised so there is awareness of concerns raised by others
 - Review comments and justify why comments are accepted or rejected, and articulate whether or not the proposal has been adjusted to reflect these comments

GRP 6 | Use of High-Quality Information, Evidence and Science

Reliable, high-quality information should underpin the planning and development of regulation. Relevant information can come from anywhere and from many sources such as academic and research institutions, industry assessments, trials, and surveys. Some economies may face limitations in collecting data. Where appropriate, economies should seek out and analyze information used by other economies to address a similar policy issue. Policy makers should use this high-quality scientific, technical, economic, and other relevant information to inform analyses of the tradeoffs involved in regulatory options considered and rationales for regulatory decisions.

LIKELY BENEFITS OF THIS GRP

- Builds trust in the accuracy, reliability, and integrity of information used in the decision-making process
- Provides those affected by regulation with reliable evidence for regulatory decisions that can help inform more robust public comments and generate additional information to improve regulatory processes and outcomes
- Enhances public acceptance and compliance with final regulatory decisions

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Set expectations for information quality and develop guidance concerning the quality of information to be used in decision-making
- Rely on the best available information, such as peer-reviewed, publicly available studies and assessments
- Document and reference sources of information used to justify proposed actions
- Use risk assessment frameworks to systematically evaluate scientific inputs to regulatory decision-making

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- Consider new evidence and information provided by interested persons, including after implementation
- Evaluate how other economies, in appropriate circumstances, have achieved a similar objective

GRP 7 | Regulatory Analysis Tools


Regulatory impact analysis (RIA) is one tool used by many economies to ensure policies are needed, and where they are needed, that they have a basis in evidence. The RIA framework closely aligns with all the GRP principles including analyzing various policy options, evaluating the costs and benefits of the proposed options, and seeking input from stakeholders and the public when critically evaluating the potential impacts of new or revised policies. Other analytical methods exist as well, and economies may have practical tools in place, in addition to RIA, to assess regulatory requirements and identify and evaluate potential actions.

LIKELY BENEFITS OF THIS GRP

- Evaluating regulatory impacts ex-ante helps to avoid unintended consequences
- Provides an objective rationale for the recommended course of action
- Gives information about the expected impacts of various proposed regulatory options and a framework to guide substantive public comments

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Define and examine the problem to establish the potential need for government action
- Identify and assess expected effects of regulatory proposals by determining the underlying regulatory objectives and identifying feasible alternatives (regulatory and non-regulatory) that are capable of achieving the desired objective(s)
- Assess the impact, including compliance costs, on citizens, business, government, and the community of each option, including MSMEs, and give special consideration to groups such as women and persons with disabilities
- Consider the value of having an oversight body that reviews the analysis prepared by agencies
- Establish objective criteria to evaluate the quality of regulatory analysis
- Consult broadly to better anticipate the possible impacts of a policy prior to its implementation
- Carry out analysis early in the regulatory development process and use this information to inform proposing or amending a measure
- Consider when to use RIA; not all actions may require an RIA or resources may be limited
- Recognize that separate analysis may be needed in discrete policy areas (e.g. separate chemicals subject to the same regulation), especially where there may be no or limited alternatives
- Examine whether a law or regulation may have a disproportionate impact on certain groups and explore how to assess equity, gender, generational and other impacts
- Consider the unique nature of new and evolving policy issues and adapt analytical models to ensure fitness for purpose

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- Consider flexible, minimally burdensome regulatory approaches when regulating in sectors experiencing rapid technological change
 - Examine alternatives to regulation such as use of voluntary standards and voluntary sectoral programs, including those developed by the private sector
 - Adjust or modernize regulatory analysis to evaluate trade, competition, environmental, and societal elements (equity, gender, generational effects, etc.) in RIAs
 - Test and experiment with new regulatory concepts and trial pilot programs. Some examples include innovation centers, setting sunset clauses, and regulatory sandboxes
 - Explore flexible compliance alternatives to minimize adverse regulatory impacts to, for example, MSMEs

GRP 8 | Review of Existing Regulation

Most economies develop a substantial library of laws and regulations over time which may need to be periodically reviewed to ensure relevance and fitness for purpose. Technology evolves rapidly, economic conditions change, and societal shifts mean that regulation may not keep up with these changes. Economies can explore options for ex-post review of both individual laws and regulations as well as an entire stock of regulation within a regulatory authority or across the government to achieve varied goals such as reducing red tape, improving efficiency, streamlining review and approval procedures, and updating outdated requirements. Regulations can also be reviewed ex-post to determine if they are achieving the intended policy objectives.

LIKELY BENEFITS OF THIS GRP

- Allows for identification of regulations that are duplicative, have become outdated, or fail to accomplish their intended policy objectives, and to respond accordingly
- Provides an opportunity to reflect new information, science, technological changes, and new standards

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Have a process, criteria and guidance for regular review of existing measures and explore using new technology tools to do this
- Review an existing regulation to check whether it meets the intended objective(s) or if the objective(s) can be addressed in a more simplified manner. If not, consider appropriate follow up action
- Gather data to test whether existing regulations are effective, and incorporate this data and evidence into new regulatory approaches
- Recalibrate for changing external conditions, including technological advances, as well as how social, economic and environmental imperatives are changing
- Consider ways to evaluate and test new regulation in regular time intervals
- Establish or maintain a process to allow for any interested person to express concerns with an existing regulation with justification

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GRP 9 | International Regulatory Cooperation

In today's global economy and interconnected supply chains, regulatory actions no longer affect only the domestic economy. Regulatory cooperation is an effort to prevent, reduce, or eliminate the impact of regulatory differences and facilitate innovation and promote economic growth, while maintaining or enhancing public health and safety and environmental protection. Divergent and incompatible regulation between economies can create significant, often unintended, costs and require collaborative approaches to systematically address them. Regulatory cooperation can contribute to economies achieving shared regulatory objectives and meeting common transboundary and global issues.

LIKELY BENEFITS OF THIS GRP

- Contributes to greater compatibility of regulatory approaches across economies
- Limits unnecessary regulatory differences across economies and obstacles to international trade and investment
- Promotes technical information and knowledge exchange between regulators and interested persons
- Provides for more efficient use of scarce regulator resources (personnel, time, and funding)
- Minimizes regulatory burdens on industry operating in more than one economy

EXAMPLES OF ACTIONS THAT SUPPORT THIS GRP

- Encourage regulators to use or adopt, as appropriate, relevant international standards, guides and recommendations, or justify why they cannot, and participate in the development of international standards
- Through consultations and informal exchanges of information, identify opportunities to make regulatory requirements more compatible across borders
- Look to relevant instruments, guidance, and resources developed by international bodies and fora when developing regulation in order to build regulatory compatibility among APEC economies
- Use international systems of conformity assessment and mutual recognition arrangements and agreements to validate compliance to regulatory requirements, where available and appropriate
- Examine the effectiveness of approaches taken by other governments on the same policy matter and whether the approaches applied by other economies might have relevance for your economy
- Work in APEC on common approaches and regulatory best practices, particularly for emerging technologies
- Consider the work of other trusted regulators in areas such as inspection, evaluation, and market surveillance to improve efficiency, make the best use of available resources, and reduce unnecessary burden
- Promote the inclusion of regulatory cooperation provisions in bilateral and multilateral free trade agreements among APEC economies



Completing the Regulatory Lifecycle: Implementation and Enforcement

Ensuring effective compliance with rules and regulations is an important factor in creating a well-functioning society and trust in government. The development and application of enforcement strategies by regulators that aim for high levels of compliance, while keeping the costs and burden low, can support this outcome. Enforcement strategies that are measurable and evidence-based to allow for periodic review of the results can help to ensure regulatory objectives are met. Providing written guidance to the regulated community about compliance and enforcement expectations facilitates greater compliance and helps affected parties plan accordingly. Maintaining independence of inspection and enforcement activities from external influence enhances the legitimacy of those activities and mitigates regulatory capture.

GRP Tools

[APEC-OECD Checklist on Regulatory Reform](#)
[OECD Regulatory Enforcement and Inspections Toolkit](#)
[APEC-OECD IRC Resource](#)

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