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The Regulatory Impact Analysis Statement (RIAS) in Canada

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Canada 



RIAS is the public face of regulation...

- Introduced in 1986 by the GC, RIAS describes the regulations and its impacts
 - *Identification of reason for regulating*
 - *How Canadians have been consulted*
 - *Impacts of the regulations*
 - *Implementation, compliance and enforcement*
 - *Performance measurement and evaluation*
- Draft regulations are published, with the RIAS, in the *Canada Gazette* to give Canadians and other interested parties (e.g., international companies and governments) a chance to have input
- Within government, the RIAS is intended to provide better information for decision-makers



... and the new Canadian policy (CDSR) creates expectations for change.



- RIAS plays a fundamental role in the implementation of the Cabinet Directive on Streamlining Regulation (CDSR), the new Canadian regulatory policy
- Current RIAS is based on the 1999 Regulatory Policy and does not reflect the new the CDSR which came into force on April 1st, 2007
- Canadians and business expressed a strong interest in seeing clearer, more transparent RIAS and more and better analysis
- As of April 1, 2008, the new RIAS format will be implemented to reflect the enhanced CDSR requirements



RIA assists in decision-making.

Regulatory impact analysis:

- Enhances understanding of the reason for regulating
 - Expresses the issue or problem, the objective of the regulation
 - Demonstrates analysis of costs, benefits, risks, impacts on regulators and regulated parties, and how regulation provides a good solution
- Provides ministerial accountability
 - The sponsoring minister is responsible to defend the regulatory proposal
- Public RIA provides opportunities for shared solutions
 - Increases understanding of issue/problem
 - Increases responsiveness of regulator
 - Increases compliance by regulated parties



The decision-makers and the public will see:

- New and enhanced regulatory system
 - *Performance measurement, service standards, international regulatory cooperation, enhanced risk assessment and quantitative cost-benefit analysis*
- Increased transparency and accountability
 - *Web links to analysis*
 - *Summary “Cost-Benefit Statement”*
 - *Performance measurement & evaluation*
- Consistent information with a risk-based approach
 - *More effort on “high” impact regulations, less on “low” impact regulations*



Canada's new RIAS

New RIAS intends to demonstrate and explain:

- Increased analysis and accountability (e.g., for costs and benefits, service standards, performance measurement)
- Choice of instrument (e.g., regulation, voluntary practice)
- Potential impacts on business, trade
- Life-cycle approach to regulating
- Links of proposed regulation to broad, government policy objectives



Benefits of RIA

- Consistency in approach for all federal regulators
- Accountability, transparency in decision-making by government officials and ministers
- Communication Tool
- Invites comments through consultation (e.g. *Canada Gazette*)
- Analysis of impact allows identification of potential areas for shared solutions
 - allows for alternative approaches to be developed and considered



Challenges

- New CDSR enhances analysis included in RIAs, leading to an increased need for robust data and analytical requirements (mitigated by triage)
- Regulators must increase their effort to include new elements in RIAs and regulators must acquire new skills (mitigated by Centre of Regulatory Expertise, training, guides)
- Achieving common understanding of new requirements and consistent application across Government (mitigated by access to expertise and consistent advice from Centre)
- Culture change



Best Practices and Final Comments

Developing improvements to the RIAS using a consultative approach

- Extensive consultation in Canada (EACSR)
 - Working Groups in Government
 - Comparing with international practices through OECD, WTO, SPP
- Consensus-building at many levels; Senior Executive (ADM) committee, officials for developing and implementation of tools and products
- Review the new RIAS before July 2008 to make any final adjustments

Developing and increasing capacity and skills to use the new RIAS

- Guides developed (4 to date) accessible online
- Courses at the Canada School of Public Service
- Training seminars (Risk, Evidence-based Regulation)

Tailoring analysis to fit different regulatory proposals

- Low versus Medium-High RIAS
- Using a consistent approach to determine impact level (Triage)

Old RIAs compared to new RIAs

Annex A

RIAS SECTIONS	OLD RIAS LOW	OLD RIAS MEDIUM/HIGH	NEW RIAS LOW	NEW RIAS MEDIUM/HIGH
<i>Executive summary</i>				√
<i>Issue</i>			√	√
<i>Objectives</i>			√	√
<i>Description</i>	√	√	√	√
<i>Regulatory & non-regulatory options</i>	√	√		√
<i>Benefits & costs</i>		√		√
<i>Rationale</i>			√	√
<i>Consultation</i>	√	√	√	√
<i>Implementation, enforcement & service standards</i>		√	√ (when required)	√
<i>Performance measurement & evaluation</i>				√
<i>Contact</i>	√	√	√	√

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Key elements of the new Directive

- Necessary to regulate?
- Cost/benefit analysis
- Consultations
- Respect international obligations
- Identify rationale for approach
- International standards, guides and recommendations
- Performance based
- Cooperation (bilateral or multilateral)
- Life-cycle approach (continually meets initial policy objectives)

**The *Cabinet Directive on
Streamlining Regulation* is
available at :**

www.regulation.gc.ca

