

November 12, 2011

ANNEX D

STRENGTHENING IMPLEMENTATION OF GOOD REGULATORY PRACTICES

Building high quality regulatory environments in APEC economies is a key component of APEC's work to promote free and open trade and investment in the region. Since its inception, APEC has promoted the use of good regulatory practices and worked to reduce the negative impact of regulatory divergences on trade and investment. APEC work in this area seeks to embed the concepts of non-discrimination, transparency, and accountability into the regulatory cultures of APEC economies, which will help create jobs and promote economic growth.

Therefore, we as APEC Leaders agree to undertake the following actions by November 2013 to strengthen the implementation of Good Regulatory Practices across APEC economies:

1. Develop, use, or strengthen processes, mechanisms, or bodies to enable a whole of government approach in the development of regulations, including coordination across regulatory, standards, and trade agencies.

The functions of this process, mechanism or body may include, but are not limited to, the following:

- Development of an economy-wide, cost-sensitive, and forward-looking regulatory agenda;
 - Establishment of overarching and publicly available principles to guide good regulatory governance; and
 - Review of existing regulations on a periodic basis to improve their effectiveness and address burdensome requirements contained within.
2. Develop, use, or strengthen mechanisms for assessing the impact of regulations, which involves effective and consistent use of the tools and best practices for developing new regulations and reviewing existing regulations.

Such tools and best practices may include, but are not limited to, the following:

- When deciding to regulate, clearly identify the need for a regulatory proposal, describing the nature and significance of the problem;
- Examine feasible alternatives, including less burdensome alternatives involving market-based or voluntary solutions, for addressing the problem;
- Assess both the costs and benefits of each available alternative for addressing the problem and identify the reasons why the alternative selected best achieves the policy objective. Given that some costs and benefits are difficult to quantify, qualitative assessments are more feasible in some cases; and
- Examine the incentives and mechanisms in place to review and streamline existing regulations.

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3. Implement the principles related to public consultation of the 2005 APEC-OECD Integrated Checklist on Regulatory Reform section on regulatory policy and the 2004 Leaders' Statement to Implement the APEC Transparency Standards.

Implementation of these principles may include, but are not limited to, the following:

- Establish procedures that provide stakeholders with a meaningful opportunity to comment on regulatory proposals;
- Provide plainly written, clear, and concise draft measures for public comment with adequate time for review, so that stakeholders and government can have a genuine dialogue that leads to improved regulatory outcomes; and
- Ensure that regulators consider public comments.