



**Asia-Pacific
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Regulatory Impact Assessment

Submitted by: New Zealand



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Regulatory Impact Assessment

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Definitions

- Regulation is “the employment of legal instruments for the implementation of social-economic policy objectives”.
- Regulatory impact assessment is the process of identifying the social and economic effects of introducing, changing or removing regulation.



Benefits

- Improves the evidence base for decision-making
- Ensures benefits exceed costs
- Avoids later implementation problems
- Reassurance that all impacts have been considered
- Transparency



Challenges for FTAs

- Uncertainty
- Lack of control / 3rd party involvement
- Lack of information
- Confidentiality
- Time to complete negotiations

➔ A modified process!



New Zealand Approach

- Regulatory Impact Assessment requirements may apply to Cabinet Papers seeking approval:
 - To enter negotiations
 - To renew or update a negotiating mandate
 - To sign the final text
 - For a treaty to enter into force.



Two Track Process

- Track 1: no significant or wide-reaching regulatory implications, or regulatory implications are consistent with established policy
- Track 2: all other FTAs with substantive regulatory implications
- FTAs can move from Track 1 to Track 2



Analysis Framework

- What is your objective?
- What is the problem?
- Why is a decision required?
- What are the options?
- What are the costs and benefits of each option?
- What are the risks and probability of success?
- Why is the preferred option the best choice?
- Have affected parties been consulted?
- How will the preferred option impact the affected parties?



Need more information?

Try the following links:

- New Zealand Ministry of Foreign Affairs and Trade's "International Treaty Making: Guidance for government agencies on practice and procedures for concluding international treaties and arrangements"
<http://mfat.govt.nz/downloads/treaties-and-international-law/International-Treaty-Making-Guide-2012.pdf>
- New Zealand Treasury's "Regulatory Impact Analysis Handbook"
<http://www.treasury.govt.nz/publications/guidance/regulatory/impactanalysis>
- OECD's "Introductory Handbook for Undertaking Regulatory Impact Analysis (RIA)"
<http://www.oecd.org/gov/regulatory-policy/44789472.pdf>