

An Introduction to Good Regulatory Practice

ASEAN recommendations



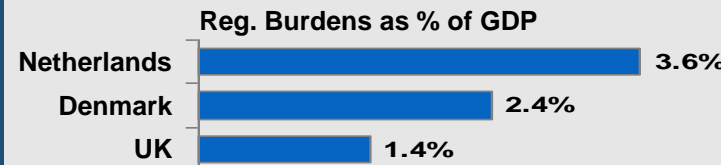
Regulatory Excellence focuses on:

- implementing Good Regulatory Practice (GRP); and
- adopting ASEAN GRP Guide (SEOM, 2009)

Why have a 'good regulatory practice'?

- Implementing GRP in Malaysia could result in ~RM4Bn GDP impact

Regulatory burdens assumed to constitute ~2.5% of Malaysia's GDP...



Malaysia's figure currently assumed to be the average of these figures (~2.5% of GDP)

...which is approximately equal to ~RM 17 billion per year

- Malaysia's GDP in 2009 was ~RM 662 billion (~USD 207 billion)
- 2.5% of GDP is ~RM 17 billion
- Regulatory burdens currently in the magnitude of ~RM 17 billion per year

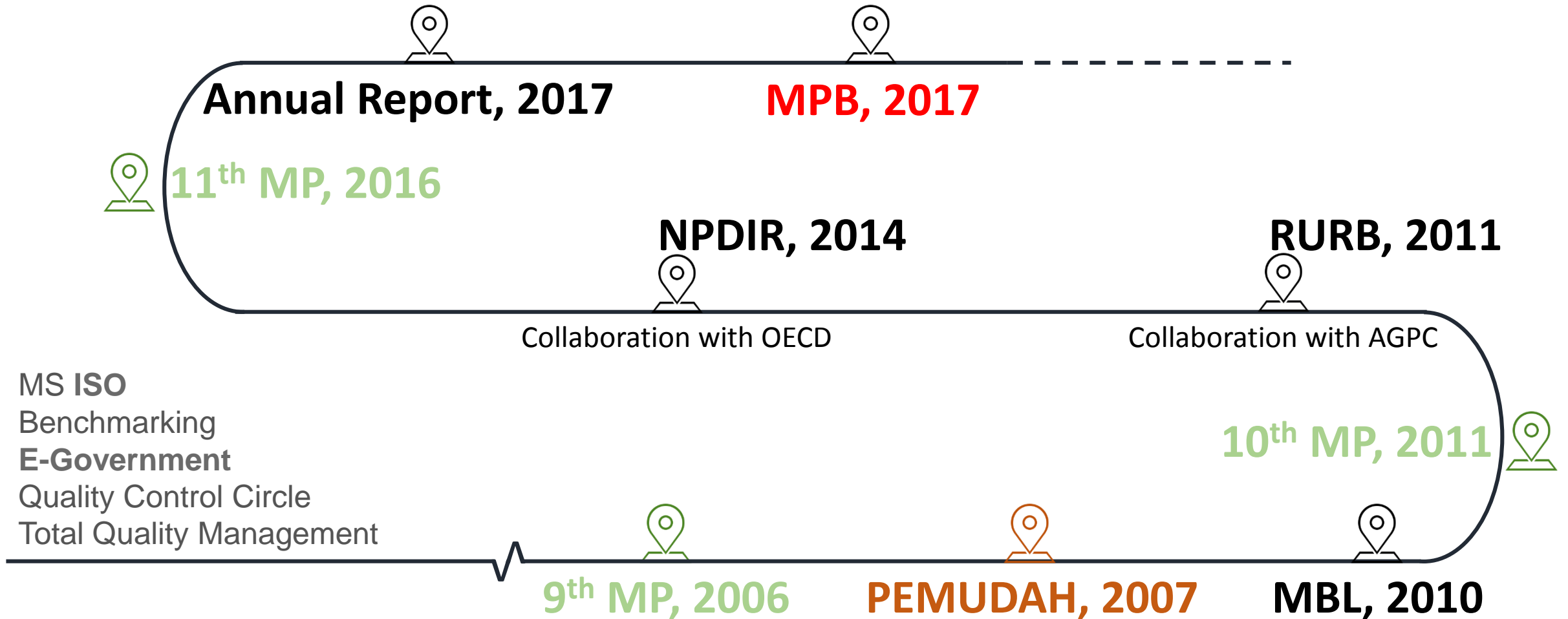
By setting up a 25% reduction target...

- Many countries set up a 25% reduction target for their regulatory burden reduction programs
- Examples of those with 25% target - Denmark, UK, Netherlands, etc.

...positive impact on the economy could reach ~RM 4 billion per year on compliance cost savings

- If Malaysia could similarly set and achieve the 25% reduction target, unnecessary regulatory costs on the economy could be reduced by ~RM 17 billion x 25% = ~RM 4 billion per year

Malaysia's journey to good regulatory practice



MBL: Modernising Business Licensing

MP: Malaysia Plan

RURB: Reducing Unnecessary Regulatory Burdens on Business

PEMUDAH: Special Taskforce to Facilitate Business

AGPC: Australian Government Productivity Commission

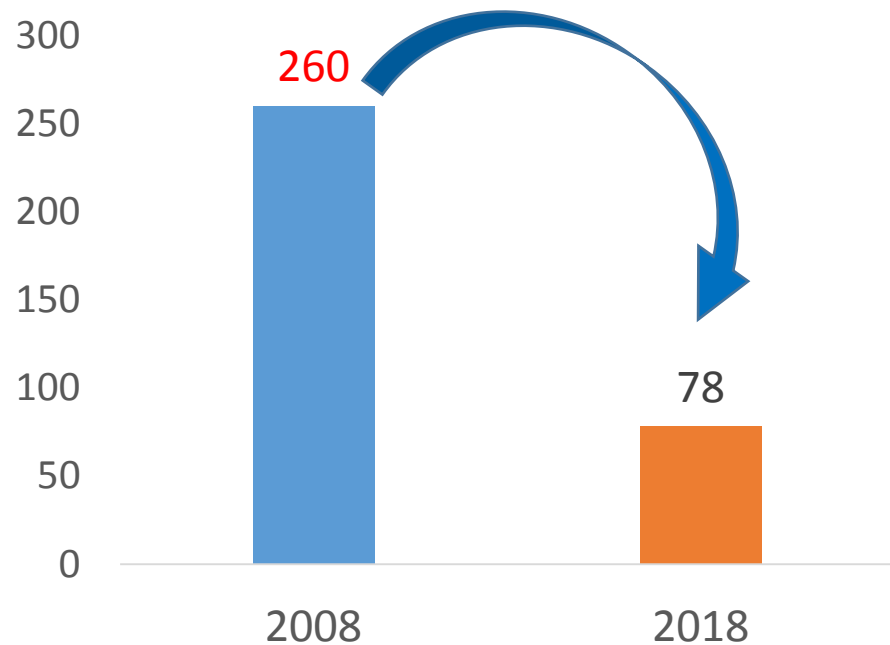
NPDIR: National Policy on the Development and Implementation of Regulations

MPB: Malaysia Productivity Blueprint

Application of GRP for regulatory excellence

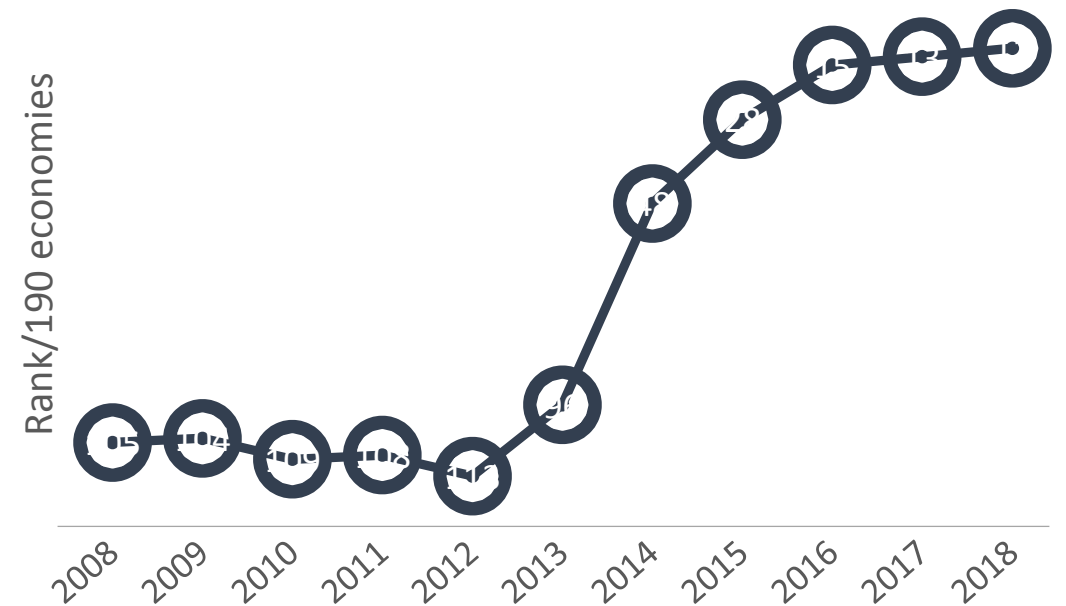
Example: Dealing with Construction Permits (DCP) in Kuala Lumpur

The process now takes **30%** of the time it did a decade ago



Doing Business Report, World Bank

Improved ranking



Doing Business Report, World Bank

Contributing factors for better DCP regulations



Strategic Approach

- **Policy Statement endorsed at the highest level**
- **Political Leadership**
- **Public-Private Collaboration**

Contributing factors for better DCP regulations (cont'd-2)

GRP Tools

- Consultation
- Regulatory Impact Analysis
- Review existing regulation
- Experiment
- Benchmarking
- Process Mapping



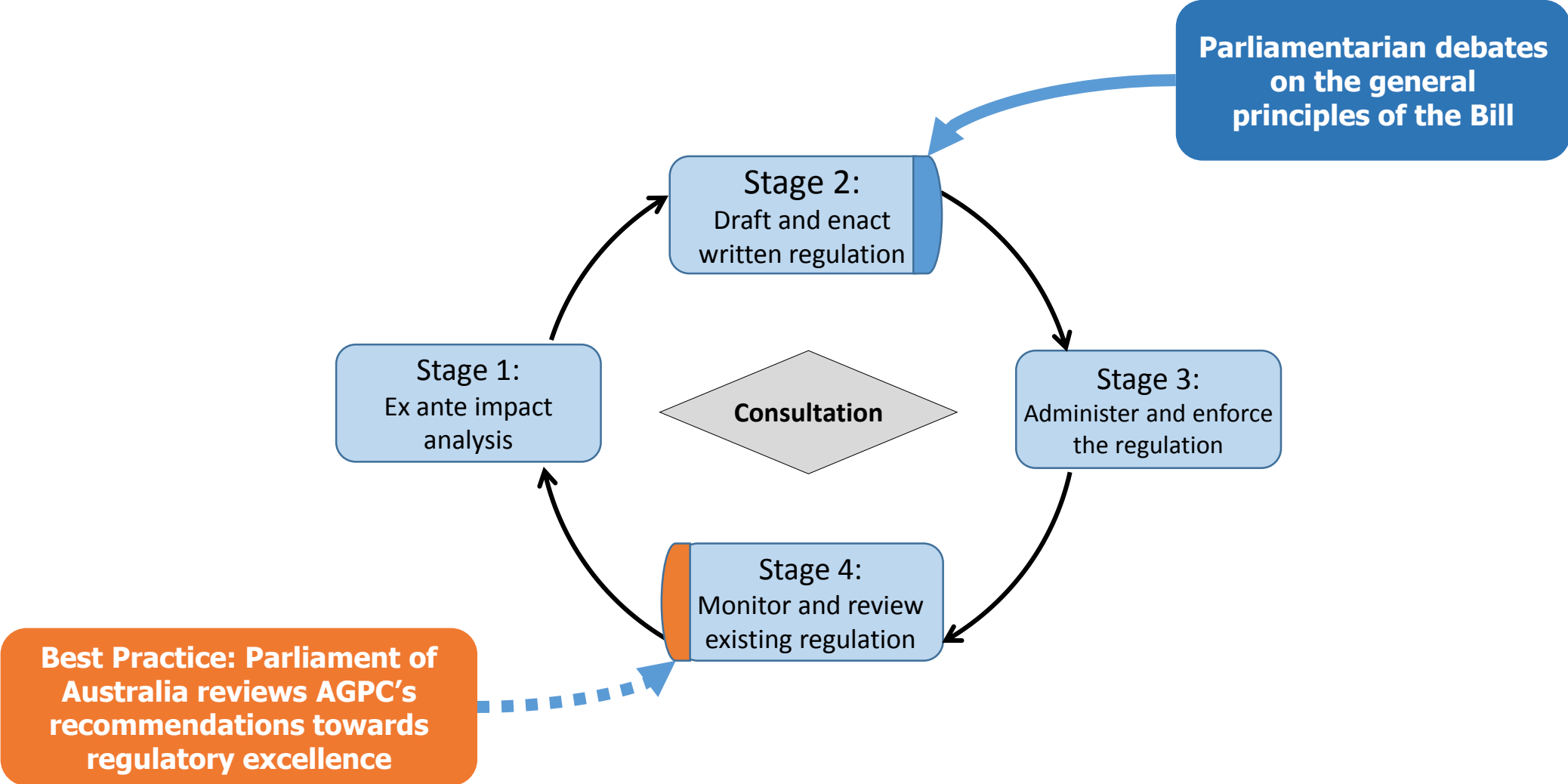
Contributing factors for better DCP regulations (cont'd-3)

Institutions

- **Legislature and other law-makers**
- **Ministries/ Policy Units formulate and draft written regulations**
- **Regulators/ Inspectorates administer the regulation**
- **Judiciary and other appeal mechanisms**
- **GRP Oversight Body**



Role of parliamentarian on GRP



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