
Canada's Policy on Limiting Regulatory Burden on Business: The Small Business Lens

**Presentation to the Informal Working Group on MSMEs
22 February 2019**

Legal and Policy Framework



Legal Framework: Statutory Instruments Act

- **Examination** (legal review) by the Department of Justice
- **Registration** upon approval
- **Publication** in the *Canada Gazette*, Part II



Policy Framework: Cabinet Directive on Regulation (CDR)

- **Requirements** for regulatory proposals
- **Lifecycle:** development, implementation and review
- **Embed** Good Regulatory Practices, e.g., cost-benefit analysis, regulatory cooperation
- **Reduce** burden on business
- **Improve** service, predictability and transparency

Regulatory Process



CDR

Establishes requirements for developing regulatory proposals, including instrument choice, implementation, performance management

START



Regulatory proposals

Departments and agencies develop regulatory proposals



Central challenge function

The Treasury Board of Canada Secretariat challenges regulatory proposals against the requirements in the CDR

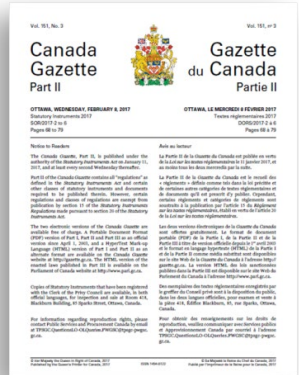
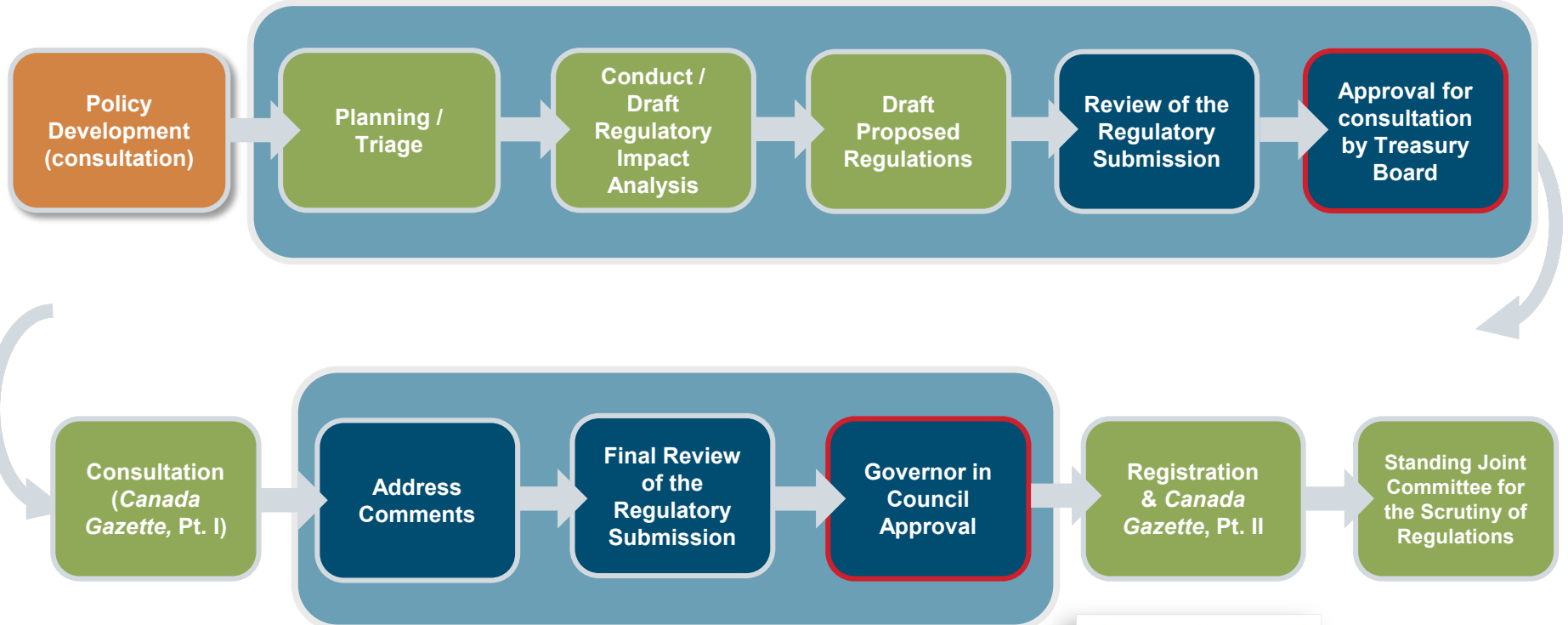


Cabinet review and approval

The Treasury Board considers and approves proposals

FINISH

Regulation Approval Process



- Cabinet decision-making
- Challenge function

Regulatory Impact Analysis

- Departments and agencies are required to develop a Regulatory Impact Analysis Statement (RIAS)
- The RIAS is an essential analytical tool that contributes to transparency within the regulatory system
- The RIAS describes the regulations and its impacts:

What the government is going to **deliver**



- Issue
- Objectives
- Options considered

Impacts of the regulations



- Cost-Benefit Analysis
- One-for-One Rule
- Small business lens
- Social and environmental lens

How Canadians have been **consulted**



- Consultation process
- Views of consulted parties

Regulatory cooperation



- Domestic
- United States
- International

Implementation, compliance and enforcement



- Implementation plan
- Compliance and enforcement strategies

Small business lens: Introduces a more systematic analysis of impacts on small business

1

Lens now applies to all regulatory proposals

2

Proposal must identify and cost anticipated small business impacts

3

Regulator can provide additional flexibility, and explain if it is not appropriate

4

Optional, streamlined checklist covers lens requirements only and is no longer published in the RIAS

5

New costing approach aligns the lens with cost-benefit analysis, and eliminates need for separate calculation