



Foreign Affairs, Trade and
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Canada



Legislating Canada's One-for-One Rule

Controlling the Growth of Federal Regulatory Red Tape

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Overview

- Context – Canada's Regulatory Reform
- The “One-for-One” Rule
 - Objectives
 - Overview
 - Monitoring & Tracking System

Context – Canada's Regulatory Reform

- **2011** - Red Tape Reduction Commission (RTRC) launched
 - Mandate ► *identify irritants to business stemming from federal regulatory requirements & recommend options that address them*
- **Jan 2012** - Commission releases report recommending:
 - 15 system-wide reforms to the regulatory system
 - 90 targeted actions by departments
- **April 2012** - New ***Cabinet Directive on Regulatory Management (CDRM)*** accounting for the new systemic reforms
- **Oct 2012** - *Red Tape Reduction Action Plan* responding to the Commission
 - Systemic reforms: **One-for-One Rule**; Small Business Lens; Forward Regulatory Plans; Service Standards; Interpretation Policies; and Annual Scorecard
- **Jan 2014** - First Annual Scorecard Report publicly released; *Red Tape Reduction Act* tabled in Parliament **to legislate the One-for-One Rule**

Cabinet Directive on Regulatory Management

Two Main Parts:

1. Regulatory Impact Analysis
2. Regulatory Management (Modules 3-7)
 - New regulatory reform initiatives
 - 1) The “One-for-One” Rule**
 - 2) Small Business Lens
 - 3) Service standards for high-volume authorizations
 - 4) Forward regulatory plans

Legislating Canada's One-for-One Rule

- **January 2014** - Introduction of the *Red Tape Reduction Act* in Parliament to enshrine the One-for-One Rule in law.

For every new regulation added that imposes an administrative burden on business, one must be removed.

“One-for-One” Rule Objective

- Control administrative burden (AB) on business resulting from regulatory changes:
 - Limit growth of administrative burden on business
 - Eliminate unnecessary regulations
 - Make regulation a mean of last resort
- A regulatory change is defined as:
 - A **new** regulation, an **amendment** to an existing regulation, or **removal** of an existing regulation
- Comply with CDRM commitment to:
 - Monitor & control the administrative burden of regulations on business

Rule implementation will not compromise the health, safety or security of Canadians, the environment or the economy

The Rule will control Admin Burden

- **Includes:**

- Planning, collecting, processing & reporting of information
- Completing forms
- Retaining data



As required by federal government to
comply with a regulation

- **Examples:**

- Returning & reporting / submitting information
- Authorizations
- Notification of activities
- Familiarisation with information obligation
- Information retrieval
- Calculation / assessment / checking of calculated figures
- Meetings
- Copying, distribution, filing, etc.
- Enforcement, audits & inspections

Description of the Rule

- **Rule Requirements :**
 - Reduce existing administrative burden equal to new burden imposed
 - Remove an existing regulation each time a new one imposing administrative burden is introduced
 - Keep score & report results to the public

Overview of the “One-for-One” Rule

Restrict growth of AB by:

Ensuring that new AB on business introduced by a regulatory change is offset by equal decrease in AB on business from existing stock of regulations

Control number of regulations by:

Repealing any existing regulation every time a new regulation imposing AB on business is introduced

Monitoring & Tracking System

Exceptions : non-discretionary obligations, tax or tax administration, emergency/crisis situations

Public reporting of results In RIAS

Government-wide picture in the Annual Scorecard Report

Questions? / Additional information

- One-for-One Rule

- <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=1&nid=812559&wb48617274=B245D3F8>

- Canada's Cabinet Directive on Regulatory Management

- <http://www.tbs-sct.gc.ca/rtrap-parfa/cdrm-dcgr/cdrm-dcgrtb-eng.asp>

- Scorecard Report

- <http://www.tbs-sct.gc.ca/rtrap-parfa/report-rapport/asr-featb-eng.asp>
- <http://news.gc.ca/web/article-en.do?mthd=index&crtr.page=1&nid=812179>

THANK YOU

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Monitoring & Tracking System

- Departments / Agencies must offset IN with OUT(s) within 2 years of registration
 - every IN must be reconciled (i.e. “matched”) with at least one OUT
 - applies to both ELEMENT A & B of the Rule
- Minister responsible for IN can draw OUT(s) from across their portfolio

Example ► *Health Portfolio includes Health Canada, Public Health Agency of Canada, Canadian Institutes of Health Research, Hazardous Materials Information Review Commission, Patented Medicine Prices Review Board & Assisted Human Reproduction Canada*

Regulatory Cost Calculator Overview

- **Purpose** : *standardized* tool to estimate administrative & compliance costs associated with regulatory changes
- **Standard cost model (SCM)**
 - formula designed to monetize AB into administrative costs
 - can be modified to estimate compliance costs
 - internationally recognized methodology
 - Organization for Economic Co-operation and Development (OECD)
- **Reference:** International Standard Cost Model Manual
 - *Measuring and Reducing Administrative Burdens for businesses by International SCM Network to Reduce administrative burden*
 - www.administrative-burdens.com

Regulatory Cost Calculator: Data Requirements

- Calculator estimates costs for affected *small* business as well as *all* affected business
- To facilitate this estimation the Calculator already contains Statistics Canada data on
 - Number of businesses based on industry sector
(North American Industry Classification System)
 - Data disaggregated by small, medium and large business categories
 - Hourly wage rates by employment position
- Additional data is required by the Calculator
 - Must be inputted by regulator

Consultations

- Long-standing government policy requirement
 - meaningful consultations with affected stakeholders & Canadians on regulatory changes that impact them
- Departments & agencies are required to consult affected stakeholders
 - regarding INs & OUTs prior to seeking approval to pre-publish a regulatory proposal
 - In cases where exemption from pre-publication is sought consultations are required to occur prior to final approval of the regulation
 - ensures stakeholders are engaged, their views are considered & there is an opportunity to provide feedback on AB estimates