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Secrétariat du Conseil du Trésor du Canada

RIAS Writer's Guide 2009

Canada

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Purpose

This guide

The purpose of this guide is to help departments and agencies[1] better understand the regulatory impact analysis requirements of the *Cabinet Directive on Streamlining Regulation* (CDSR) and to improve the quality of regulatory impact analysis statements (RIAS) prepared in support of their regulatory proposals. This guide establishes the expectations of the Regulatory Affairs Sector, Treasury Board of Canada Secretariat (TBS-RAS), as to the content and quality expected in a RIAS.

This guide should answer most questions about preparing a RIAS. However, further assistance is available from TBS-RAS regarding the following:

- Advice and guidance on the CDSR and the regulatory process; and
- Assistance with the initial assessment of regulatory proposals (see the "Triage and the RIAS" section in this document) to determine the level of analysis required for the regulatory proposal and the RIAS.

This guide is based on the Government of Canada's core principles for regulatory impact analysis, which are designed to ensure that regulatory proposals maximize net benefits to Canadians. However, it is **not** a guide on how to analyze regulatory impacts. Instead, it sets out the parameters for presenting and explaining regulatory impact analysis in a RIAS.

In addition to this guide, the following resources can also help with the preparation of a RIAS:

- *Triage Statement* guide;
- *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*;
- *Assessing, Selecting, and Implementing Instruments for Government Action*;
- *Handbook for Regulatory Proposals: Performance Measurement and Evaluation Plan*;
- *Guidelines for Effective Regulatory Consultations*;
- *Guidelines on International Regulatory Obligations and Cooperation*; and
- *Guide to the Federal Regulatory Development Process* (forthcoming).

These resources are available at the Regulatory Affairs website.

1. Throughout this guide, the term "departments and agencies" is often used for departments, agencies, or other regulation-making entities.

When needed, the writer of a RIAS should also consult with the appropriate analyst from TBS-RAS.

The RIAS

The RIAS is a summary of the expected impact of a regulatory initiative that addresses each of the requirements of the federal government's regulatory policy, i.e., the CDSR. The use of regulatory impact analysis has long been recognized as an international best practice, and the RIAS has been used in Canada for over 20 years.

A properly prepared RIAS provides a cogent, non-technical synthesis of information that allows the various RIAS audiences to understand the issue being regulated. It allows audiences to understand the reason the issue is being regulated, the government's objectives, and the costs and benefits of the regulation. It also addresses who will be affected, who was consulted in developing the regulation, and how the government will evaluate and measure the performance of the regulation against its stated objectives. The RIAS is, in effect, a public accounting of the need for each regulation.[2]

Within government, the RIAS provides information for decision makers both inside and outside the regulatory department or agency. The RIAS allows these decision makers to do the following:

- Synthesize information;
- Improve their understanding of regulatory impacts; and
- Better communicate the impacts of regulation to stakeholders.

Outside the government, the RIAS gives the public and affected parties information that can be used to do the following:

- Evaluate proposed regulations;
- Better understand the regulation and obligations it imposes;
- Generate questions and comments about the regulation.

The RIAS and the *Cabinet Directive on Streamlining Regulation*

On April 1, 2007, the CDSR came into force, bringing new requirements for departments and agencies on preparing new regulatory proposals. These include elements such as performance measurement and evaluation, service standards, enhanced international regulatory cooperation, and more robust cost-benefit analysis.

2. Privy Council Office (2001). *Guide to Making Federal Acts and Regulations*, 2nd edition. Page 181.

When consulted on the CDSR, Canadians and businesses expressed a strong interest in seeing analysis in a clearer, more transparent RIAS. These views are reflected in the updated format of the RIAS, which is designed to be more informative, transparent, and accessible to decision makers, stakeholders, and the Canadian public.

Preparing a RIAS

In summary, a RIAS:

- Accompanies each proposed and final regulation published in the *Canada Gazette*;
- Summarizes information that ministers require to decide on proposed regulations;
- Describes what the government will deliver, benefits and costs of the proposal, the consultation that has taken place, and opinions expressed during that consultation; and
- Demonstrates that the federal department or agency has met the requirements of the CDSR.

The department or agency sponsoring the regulation is responsible for the content of the RIAS. Ultimate accountability rests with the minister or head of the sponsoring department or agency.

Getting started

The nature and amount of analysis appropriate for a regulatory proposal varies according to its significance and likely impact. The level of significance is determined in the Triage process, which establishes both the depth of analysis required and the specific content of the RIAS.

The best place to start in preparing a RIAS is to collect and review key documents including the following:

1. Memoranda to Cabinet;
2. Drafting instructions to Justice Canada;
3. Treasury Board submissions;
4. Ministerial presentations, memoranda, and briefing notes;
5. Main Estimates—Reports on Plans and Priorities;
6. Risk assessments;[3]
7. Triage Statement;
8. Cost-benefit analysis studies;
9. Performance Measurement and Evaluation Plan;

3. A risk assessment is the process of identifying events and circumstances and characterizing their impact (on health, safety, security, the environment, or social and economic well-being).

10. Communications plans;
11. Consultation documents;
12. Policy documents and internal decision documents;
13. Profiles of affected industries or other groups;
14. Departmental website materials;
15. Other countries' regulations, RIASs, or cost-benefit analyses; and
16. Other significant documents, such as general government policy statements or significant commentary by affected parties.

From these documents, prepare a short summary that details the following:

- Affected or interested stakeholders;
- Key areas of impact; and
- Information that was used to assess impacts and whether there are any quality or data integrity issues with that information (e.g., dated information, sample size, methodology).

A simple worksheet approach, as Table 1 below shows, can help organize this summary.

Table 1: Preliminary Impact Assessment Worksheet

Stakeholders affected	Benefit or cost	Qualitative description of impacts	Quantitative estimates	Data sources

Basic structure of the RIAS

The RIAS comprises a cover page along with the following sections:

Medium/High-Impact RIAS	Low-Impact RIAS
1. Executive summary 2. Issue 3. Objectives 4. Description 5. Regulatory and non-regulatory options 6. Benefits and costs 7. Rationale 8. Consultation	1. Issue and objectives 2. Description and rationale 3. Consultation 4. Implementation, enforcement, and service standards (as appropriate) 5. Contact

Medium/High-Impact RIAS	Low-Impact RIAS
9. Implementation, enforcement, and service standards 10. Performance measurement and evaluation 11. Contact	

The Triage Statement of a regulatory proposal determines whether a low-impact or medium/high-impact RIAS must be prepared. One of the first things to do in preparing a RIAS is to check the results of the triage to determine which type of RIAS needs to be written.

Triage and the RIAS

Under the CDSR, regulatory proposals are subject to an early stage assessment—or triage—to determine where analytical resources should be focussed and where approval processes can be streamlined. Information contained in the triage can be helpful in drafting the RIAS, including the following:

- Potential impacts of the regulation on health and safety, security, the environment, and the social and economic well-being of Canadians;
- Costs or savings to government, businesses, or Canadians and the potential impact on the Canadian economy and its international competitiveness;
- Potential impacts on other federal departments and agencies, provincial or territorial governments in Canada, or on Canada's foreign affairs; and
- Degree of interest, contention, and support among affected parties and Canadians.

The Triage Statement describes the expected impacts of the proposed regulation in 10 key areas. For each area, an assessment is completed as to whether the expected impact is low, medium, or high. These descriptions can help in forming the RIAS, which is supplemented with additional detail based on the depth of the analysis required, resulting from the overall significance rating indicated by the Triage Statement.

The overall significance level for the proposal is determined by the highest level triggered by any of the questions in the Triage Statement. **If one or more of the questions in the Triage Statement contains a "medium" or "high" response, a "medium/high" RIAS must be completed.** If none of the responses is "medium" or "high," a low-impact RIAS may be used.

The responses to the triage questions determine both the level of effort that is expected in terms of analysis and RIAS contents. For more information, please refer to the *Triage Statement* guide.

The RIAS writing style

It is helpful to think of the RIAS as a presentation. Rather than a dry narrative, the RIAS should build arguments toward logical conclusions based on the entire range of evidence available.

When writing a RIAS, the writer should focus on target readers: parliamentarians, ministers, TBS officials, members of the legal community, affected parties, and interested members of the public. The writer should start by assessing what will be important to these groups. Clues may be found in the results of the consultation. Ask yourself what interests people about this regulation. Deal with these issues, and try to put them in descending order of importance.

In terms of the content of arguments, focus on what conclusions readers should come to based on the evidence. Put the most compelling argument first. This helps identify and classify points in terms of their overall relevance to the issue. Less relevant information should come at the end, where it will be easier to cut, if necessary.

The following are some guidelines to apply in drafting a RIAS:

- Use everyday language.
- Avoid long, complicated sentences and paragraphs, technical terms, jargon, or unfamiliar acronyms.
- Be concise and stick to the key points.
- Build arguments step by step, based on facts and evidence.
- Rework each sentence until every word counts—edit, reread after a few days, and edit once again.
- Use the conditional verb tense ("the proposed regulations would") for a RIAS that is prepared for pre-publication in the *Canada Gazette*, Part I. Use the future verb tense ("the regulations will") for final publication in the *Canada Gazette*, Part II.
- Avoid repeating the same information in different sections of the RIAS.
- Ask a colleague who is unfamiliar with the subject to read through the final draft.

The audience: Who reads a RIAS and why?

There are six groups of RIAS readers:

- Parliamentarians, including the Standing Joint Committee for the Scrutiny of Regulations;
- Treasury Board and other ministers, their staff, and departments;
- Members of the legal community;
- TBS officials;

- Affected parties (which have usually been consulted during the regulation development process); and
- The public at large.

Parliamentarians

Parliamentarians are interested in the RIAS in their role as representatives of the interests of their constituents and in their role as lawmakers. Among other issues, parliamentarians may review a RIAS to ensure that subordinate legislation (i.e., regulations) reflects the original intent of Parliament as expressed in enabling legislation.

The Standing Joint Committee for the Scrutiny of Regulations is a committee of Parliament that reviews hundreds of regulations and statutory instruments each year to ensure that they comply with a number of requirements.

Treasury Board, ministers, their staff, and departments

The Treasury Board is a committee of the Queen's Privy Council. It provides advice to the Governor General when the enacting authority for regulations is the Governor-in-Council. It also reviews most non-regulatory orders-in-council prior to approval by the Governor General.[4]

The Treasury Board is currently the Cabinet committee designated by the prime minister to act as "counsel" to the Governor General and advise on the making of federal regulations and orders. Accordingly, the Treasury Board reviews most regulations twice before they become law. Initial review is conducted prior to publication in Part I of the *Canada Gazette* to inform the Clerk of the Privy Council, who is legally responsible for the publication of regulations,[5] that the government is ready to make a regulatory proposal public. This is known as pre-publication. Secondary review is conducted by the Treasury Board before regulations are published as law in the *Canada Gazette*, Part II.

The Treasury Board is responsible for ensuring that:

- Regulations conform to government policy, including the CDSR.
- Communications and other issues related to the regulation have been considered.

The RIAS should assure ministers that these criteria have been met.

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4. Section 13 of the *British North America Act, 1867* explains the nature of the expression "Governor-in-Council": "The Provisions of this Act referring to the Governor General in Council shall be construed as referring to the Governor General acting by and with the Advice of the Queen's Privy Council for Canada."
5. See Section 14 of the *Statutory Instruments Act.*

Members of the legal community

While the RIAS is not a statutory instrument and has no force of law, members of the Canadian legal community, including judges, legal counsel, and legal scholars, may consult a RIAS as a source of information on the policy intent behind a regulatory action.

Treasury Board of Canada Secretariat officials

The Regulatory Affairs Sector, Treasury Board of Canada Secretariat (TBS-RAS) is responsible for ensuring that the analysis that departments and agencies provide on regulatory proposals is consistent with the commitments and directions set out in the CDSR, and that the analysis effectively supports ministerial decision making. TBS-RAS also works to promote policy coherence among new proposals, existing policies, and the government's policy agenda.

TBS-RAS is responsible for the following:

- Providing advice and support to departments and agencies concerning the development of regulatory proposals and the implementation of the CDSR;
- Providing ministers and the Treasury Board with the necessary information to make decisions on the issues before them;
- Reviewing regulatory proposals, challenging departments and agencies on the quality of regulatory analyses, and advising them when the requirements of the CDSR have not been met;
- Promoting regulatory reform and acting as a centre of expertise on regulatory governance; and
- Assessing the effectiveness of the CDSR and its implementation.

Treasury Board is also supported by the Privy Council Office (Orders in Council Secretariat), which is responsible for preparing the Treasury Board meeting agenda and the certification and registration of statutory instruments.

Affected parties

By the time the RIAS is ready to be prepared, departments will have already consulted many of those who are directly affected by a proposed regulation. Consultation will normally include such groups as industry and consumer associations. Because these consultations usually reach a limited number of individuals, publication of the RIAS with the proposed regulation in the *Canada Gazette*, Part I, provides an opportunity for affected parties and interested Canadians to be aware of the government's intent and to provide input.

Key stakeholders also usually include provincial and territorial governments, who are often consulted during the development of regulatory proposals. Foreign governments may also have

an interest in a RIAS that may impact international trade. Implications for other jurisdictions and levels of government should be clearly articulated in the RIAS.

The public at large

While members of the public at large seldom have the time or interest to read a RIAS, the associations, companies, consumer groups, lobbyists, unions, legal firms, and universities that represent them often do. Once a RIAS is published in the *Canada Gazette*, it is in the public domain. It should therefore be understandable to anyone who may wish to read it.

RIAS cover page

A cover page must accompany every RIAS, regardless of the impact of the regulation. It should be set out as follows:

REGULATORY IMPACT ANALYSIS STATEMENT **RÉSUMÉ DE L'ÉTUDE D'IMPACT DE LA RÉGLEMENTATION** **(This statement is not part of the Regulation)** **(Ce résumé ne fait pas partie du règlement)**	
Department or agency (insert name of department or agency)	**Ministère ou organisme** (insérer le nom du ministère ou de l'agence ici)
Title of proposal Give the title or the proposed title.	**Titre du projet** Indiquer le titre ou le titre proposé.
Statutory authority Give the statute under which the department or agency is making the proposed regulations.	**Fondement législatif** Indiquer la Loi en vertu de laquelle le projet de règlement doit être pris.
Submitted for consideration for Pre-publication OR	**Soumis en vue de** Publication préalable OU
Final approval following pre-publication on dd/mm/yy OR	Approbation finale à la suite d'une publication préalable le (date) OU
Exemption from pre-publication and final approval OR	Exemption de publication préalable et approbation finale OU
Exemption from a second pre-publication and final approval.	Exemption d'une deuxième publication préalable et approbation finale.
Provide a detailed justification *for the proposed exemption here.*	*Indiquez ici, de manière détaillée vos raisons pour l'exemption proposée.*
Signature Minister of (insert name of department here) / Ministre de (insérer le nom du ministère ici)	

If the proposal contains a request for exemption from pre-publication in the *Canada Gazette*, Part I, the cover page must provide a detailed justification for the exemption.

Medium/high-impact RIAS

One or more elements of the CDSR are represented in a corresponding section of the medium/high-impact RIAS. The following describes each section of the RIAS for regulations that have been assessed as medium or high impact in the Triage Statement.

Executive summary

The **executive summary** appears in a text box at the beginning of a medium/high-impact RIAS. It should be no more than 60 lines long (1,000 words) and should cover the following topics:

- **Issue:** A brief statement to describe the issue that the regulation will address and why government intervention through regulation is needed;
- **Description:** A brief description of the proposed regulatory action and how it addresses the issue;
- **Cost-benefit statement:** A summary statement of the regulations' quantitative and qualitative costs and benefits;
- **Business and consumer impacts:** A statement on the impacts of the regulation on administrative burden, competition, and consumers;
- **Domestic and international coordination and cooperation:** A statement on any domestic or international regulatory coordination and cooperation (including trade impacts) that relate to the regulatory proposal. When specific Canadian requirements are proposed, this subsection should contain a statement of the rationale for the Canadian approach; and
- **Performance measurement and evaluation plan (high-impact regulations only):** A brief description of the performance measurement and evaluation plan to ensure that the regulatory activity continually meets its initial objectives.

Issue

The "Issue" section should clearly specify the problem or issue that has prompted the consideration of government action. This section should describe the public policy issue(s), including a description of any risk assessment, and demonstrate why government intervention is needed. A clear summary of the risk assessment should be provided, as well as a Web link to the full risk assessment or departmental contact who can provide the full risk assessment.

The issue should be described in concrete terms. The drivers or underlying causes of the problem, and groups likely to be most affected, should also be identified. To show it has appropriately addressed a public policy issue, the government needs to provide in the RIAS a sense of the nature and magnitude of the problem and identify what government actions (if any) have been taken in the past to address it.

This section should also provide a summary description of the expected evolution of the problem into the future, based on reasonable assumptions about intervening factors. This is known as the baseline scenario, and it is used as a starting point for the analysis of benefits and costs of the various policy options described in later sections of the RIAS. The aim of the baseline scenario is to explain how the current situation would evolve without additional public intervention. In other words, it is the "no policy change" scenario. A description of the baseline is important so that when impacts of different options are described, they can be compared with a common starting point. For more information, please refer to the *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals* and *Assessing, Selecting, and Implementing Instruments for Government Action*.

The baseline projection must provide a clear indication of how serious the problem is, to what extent it would become more serious without government intervention, and whether the consequences would be irreversible. A realistic baseline should have a strong factual basis and, as far as possible, be expressed in quantitative terms. It should also be set for an appropriate time horizon. Although a 10-year time horizon is usually considered appropriate, this will vary depending on the nature of the regulatory proposal and the degree to which information is available.

Use the following checklist to ensure a full and complete "Issue" section.

Checklist	CDSR references
• Has the issue or risk been properly identified and assessed (how it may change over time)? • Has the need for government intervention been demonstrated? • Has a quantitative risk assessment been performed? • Have scientific and empirical evidence, uncertainties, ethical considerations, and public views of the public policy issue been summarized? • Has a Web link or departmental contact to the full risk analysis been provided?	CDSR Section 4.2**,** Identifying and assessing public policy issues *Assessing, Selecting, and Implementing Instruments for Government Action*

Objectives

The "Objectives" section states the intent of the proposed regulatory action in concrete terms and situates it within the broader policy context. This involves articulating policy goals and desired outcomes. There may be several policy goals, each with a variety of outcomes. While policy goals and outcomes go hand in hand, they are not quite the same. For example, a goal might be to make a particular activity safer, while the desired outcome might be a 30-per-cent reduction in the rate of injury.

Describe the solution that the regulation or amendment is intended to provide and explain why government intervention is justified. The fact that there is a problem is not in itself a justification for action, nor is it a justification for regulatory action. The regulatory action requires its own justification and needs to be stated clearly.

It may also be beneficial to explain how the proposed regulation fits into the department's policy framework and to clarify that it is within the department's mandate.

Checklist	CDSR references
• Have public policy objectives been clearly stated in terms of tangible outcomes for Canadians?	CDSR Section 4.3, Setting public policy objectives *Assessing, Selecting, and Implementing Instruments for Government Action*

Description

This section describes the proposed regulatory action. One of the first questions readers will ask is: "Does this regulation concern me?" The writer's task is to provide enough information to help individuals find out quickly if and how the proposed regulation will affect them. The RIAS should communicate this by beginning with a description of the affected population. Readers in this group will pay particular attention.

Avoid detailing the history of the legislation or regulation beyond what is essential. The solution to the problem will be put into focus in subsequent sections, so leave the arguments and rationale for later. Just sketch the essentials of the regulation here. It should seldom be necessary to draft more than a page for this section.

In clear and simple language, provide context to help the reader understand the regulation. A reference to the legal regulatory text itself may be useful in some cases, but numerous citations are distracting and unnecessary. If it is difficult to focus on what is most important, try thinking about how the regulation could be described to a person who is only marginally aware of the issue.

Checklist	CDSR references
• Has a summary description been provided with only the essential details of the regulation? • Is it presented in clear and simple language, providing context to help the reader understand the regulation, but avoiding excess detail on the history of the legislation or regulation? • Does it describe who will be affected by the regulation and how?	CDSR Section 4.1, Regulatory consultation

Checklist	CDSR references
• Have essential and relevant linkages to enabling legislation and government priorities been established to ensure relevance and consistency?	

Regulatory and non-regulatory options considered

This section describes the range of regulatory and non-regulatory options considered in addressing the issue or risk identified, including the proposed regulatory action and the key differences between the options. Not every option considered in developing the regulatory proposal needs to be presented—just the real or viable options.

Ideally, the RIAS will report on all legitimate options that were viewed as having the potential to be efficient or cost-effective. The selection of alternatives may have been based on a preliminary analysis of their characteristics or on the prior experience of other jurisdictions that have employed such options. In any event, the source of the options should be noted in the RIAS, except where issues of Cabinet confidence arise.

This section should include both alternatives to regulation (such as voluntary standards) and alternative types or forms of regulation (including market instruments, such as tradable emission rights) that have been analyzed. There can be many reasons for choosing or disqualifying alternatives (cost, feasibility, etc.). In all cases, list the most viable alternatives and offer a brief explanation of why these alternatives were not selected. Treating each alternative in a separate paragraph adds clarity. For more on the range of possible regulatory and non-regulatory instruments and how to choose between them, refer to *Assessing, Selecting, and Implementing Instruments for Government Action.* Where a mix of regulatory and non-regulatory options have been selected, they should be explained together to demonstrate how they achieve the outcome.

When there are multiple options or alternatives, a “best practice” is to identify which option is the preferred or recommended one by using subheadings or parentheses.

Checklist	CDSR references
• Have both regulatory and non-regulatory options considered been summarized, including the proposed regulatory action? • Have the key differences between the options been summarized and assessed?	CDSR Section 4.4, Selecting the appropriate mix of government instruments *Assessing, Selecting, and Implementing Instruments for Government Action*

Benefits and costs

Information in this section should provide an assessment of benefits, costs, and net benefits of the selected option, including how impacts may be distributed across various stakeholders, sectors, or regions. For guidance, please refer to the *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*.

This section should report on the impacts of the proposed regulation on the economy, administrative burden, businesses, consumers, competition, and on domestic and international trade (exports and imports). This section should also describe how the recommended option has been developed to minimize negative impacts on health and safety, the environment, society and culture, public security, and the economy.

When a cost-benefit analysis or a risk assessment has been done, a cost-benefit summary statement must be included in the RIAS to clearly communicate costs and benefits. It is expected that a Web link to the full cost-benefit analysis, or departmental contact that can provide the full cost-benefit analysis, also be included in this section.

Depth of analysis

The depth of analysis presented in this section of the RIAS should correspond with the results of the triage process. For a medium-impact regulatory proposal, this section of the RIAS should provide estimates of the following:

- Quantitative costs for each stakeholder (if available);
- Quantitative benefits for each stakeholder, if data is available (such as in literature reviews, departmental records, benefits transfer, consultation, and expert advice); or
- Qualitative costs or benefits, when quantitative costs and benefits are not available.

For a high-impact regulatory proposal, this section of the RIAS should provide estimates of the following:

- Quantitative costs for each stakeholder (if available);
- Quantitative benefits for each stakeholder (if available); or
- Qualitative costs or benefits, when quantitative costs and benefits are not available.

This section should start by reiterating the baseline scenario that was introduced in the "Issue" section and viable options (including the proposed regulatory option) that will be assessed, based on the "Regulatory and non-regulatory options considered" section. The baseline should have a strong factual basis and, as far as possible, be expressed in quantitative terms. It should also be set for an appropriate time horizon. Although a 10-year time horizon is usually considered

appropriate, this will depend on the nature of the regulatory proposal and the degree to which information is available.

This section should also provide the following:

- Summary profile of affected stakeholder groups;
- Brief description of methodology, data sources, and key assumptions used for the quantitative analysis of costs and benefits;
- Summary description of the quantitative and qualitative costs and benefits by affected stakeholder groups;
- Description of impacts on businesses, consumers, the environment, health and safety, competitiveness, trade, and investment; and
- Discussion of net benefits and sensitivity analysis.

The overarching requirement of the CDSR is to ensure that the Government of Canada's regulatory activities result in the **greatest overall benefit to current and future generations of Canadians**. This means that the regulation should be designed to maximize gains in relation to costs (i.e., it should maximize net benefits). Therefore, the net benefits of the regulatory action chosen must be greater than the net benefit of any other type of regulatory or non-regulatory action. Demonstrate here how the proposed regulation complies with this requirement.

This section should also demonstrate net benefits from the point of view of Canadian society as a whole. This involves an examination of benefits and costs, and then a comparison of the two. Where possible, this section should show how the costs and benefits are distributed across various affected parties (e.g., men or women, businesses and government, sectors of the economy, and regions of Canada).

Key assumptions in the analysis should be explained, and when possible, a description of how the results would change in response to variations in key assumptions—known as sensitivity analysis—should also be included. For more about sensitivity analysis, see the *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*.

The RIAS should demonstrate how the option that maximizes the net benefits also minimizes the administrative burden and imposes the least possible cost on Canadians and businesses necessary to achieve the objectives. The option with the highest net benefit is, by definition, efficient and the least costly in relation to benefits achieved. However, it is not necessarily the option that imposes the least *possible* cost. If a critical objective exists that does not support maximizing net benefits, then a cost-effectiveness analysis should be presented. For guidance, please refer to the *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*.

Checklist	CDSR references
• Is the depth of the analysis commensurate with the level of significance determined by the triage? • Have both the costs and benefits of regulatory and non-regulatory measures been described? • Have both quantitative and qualitative measures been included? • Is there a summary of potential positive and negative economic, environmental, and social impacts on Canadians, businesses, and government of the proposed regulation and its feasible alternatives? • Have positive and negative impacts distributed across various affected parties, sectors of the economy, and regions of Canada been identified? • Has a Web link or departmental contact for the full cost-benefit analysis been provided? • Has a cost-benefit summary statement of the quantifiable and non-quantifiable costs and benefits been presented?	CDSR Section 4.4, Analyzing the benefits and costs of regulation *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*

Cost-benefit summary statement

Medium and high-impact proposals should include the following table that summarizes quantitative and qualitative benefits and costs by affected stakeholders. Please note that the format of this table must be followed to ensure consistency of presentation across regulatory proposals.

Cost-Benefit Statement		Base Year	…	Final Year	Total (PV)	Average Annual
A. Quantified Impacts $						
Benefits	By Stakeholder					
Costs	By Stakeholder					
Net Benefits						
B. Quantified Impacts in Non-$ – e.g. Risk Assessment						
Positive Impacts	By Stakeholder					
Negative Impacts	By Stakeholder					
C. Qualitative Impacts						
Short list of qualitative impacts (positive and negative) by stakeholder.						

The expected benefits and costs are grouped into the following three categories:

1. **Section A: Quantified and monetized impacts.** As some of the benefits generated from regulatory policies are difficult to quantify, attempts should be made to use alternative methods for quantification. Only those benefits and costs that are monetized can be aggregated to arrive at net benefits. Refer to the *Canadian Cost Benefit-Analysis Guide: Regulatory Proposals* for help.
2. **Section B: Quantified but not monetized impacts.** For items where the benefits or costs cannot be monetized but can be quantified, list these in physical units. Include both positive and negative impacts that have been quantified, and indicate clearly the unit of measure (e.g., number of deaths or injuries avoided).
3. **Section C: Qualitative or intangible impacts that are neither monetized nor quantifiable.** Intangible or qualitative items that are likely to have significant impacts on decision making should be listed and their importance briefly stated. These are the elements of analysis that matter but cannot be estimated. List both positive and negative impacts by stakeholder. Remember, these qualitative impacts can be very important to decision makers.

Dollar estimates in Section A should be expressed in constant dollar terms, with the units (thousands, millions, billions) and constant dollar base year clearly indicated.

Figures for the base or initial year and the final year included in the analysis of costs and benefits should be shown. The department may decide to select other important years within the period of analysis, i.e., those years for which significant or varying costs and benefits are estimated to occur.

Total present value (PV)[6] should be included for monetized costs and benefits, and the discount rate[7] applied should be indicated in the table. For most analyses, a discount rate of 8 per cent should be used to calculate present value based on a minimum 10-year forecast. Average annual figures should also be shown in the table based on the annualization formula in the *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals*.

6. Present value is the value on a given date of a future payment or series of future payments that has been discounted to reflect the time value of money.
7. Discounting allows for the systematic comparison of costs and benefits that occur in different time periods by allowing one to calculate the net present value of the intervention.

Rationale

The selected option should be based on a rationale that flows from the analysis provided above, including costs and benefits and consultation results. In the "Rationale" section, describe why this option results in the greatest overall benefit, how it will meet the objectives stated earlier, and how it is proportionate to the degree and type of risk presented by the issue. This section should link directly to all of the preceding sections, especially the "Issue," "Objectives," "Regulatory and non-regulatory options considered," and the "Benefits and costs" sections.

In justifying the selected option, this section should demonstrate how adverse impacts have been mitigated and positive impacts enhanced for the environment, the health and safety of Canadians, businesses, consumers, competition, competitiveness, trade, and investment. It should discuss how any administrative burden has been limited to impose the least possible cost on Canadians and businesses, and it should show that the specific needs of small businesses have been addressed.

Note any cooperation and coordination efforts undertaken, including between federal departments, with other governments in Canada, and internationally. When specific Canadian requirements are proposed, describe the rationale for the Canadian approach. For guidance, please refer to the *Guidelines on International Regulatory Obligations and Cooperation*.

Checklist	CDSR references
• Does the rationale flow logically from the analysis, including costs and benefits and consultation results? • Is there a description of how the regulatory proposal results in the greatest overall benefit to Canadians and how it will meet objectives stated in the "Objectives" section? • Is it clear that the regulatory proposal is proportionate to the degree and type of risk presented in the "Issue" section, and why it will not unduly impact other areas or sectors? • Does the RIAS contain an explanation of how adverse impacts have been mitigated and positive impacts enhanced for the environment, the health and safety of Canadians, businesses, consumers, competition, competitiveness, trade, and investment? • Is it clear how any administrative burden has been limited to impose the least possible cost on Canadians and businesses, and that the specific needs of small businesses have been addressed? • Is it clear that the regulatory proposal complies with Canada's international obligations? • Has international cooperation been considered and have specific Canadian requirements been limited and justified?	CDSR Section 4.4, Selecting the appropriate mix of government instruments CDSR Section 4.4, Recommending an option CDSR Section 4.4, Coordination and cooperation *Guidelines on International Regulatory Obligations and Cooperation*

Strategic environmental assessments

A separate strategic environmental assessment (SEA) may be required, as stipulated under *The Cabinet Directive on the Environmental Assessment of Policy, Plan and Program Proposals*, if the regulatory proposal were to have the following effect:

- Result in important positive or negative environmental impacts; or
- Involve a high level of uncertainty or risk regarding the outcomes of the proposal that make it difficult to assess the potential environmental impacts.

If an SEA has been prepared, the RIAS writer may wish to summarize key findings in the "Rationale" section of the RIAS and provide a Web link to the SEA, as appropriate.

Consultation

This section should provide a summary of the consultation process, the main substantive comments received, and how they were taken into account. For guidance, please refer to the *Guidelines for Effective Regulatory Consultations*.

In summary, this section should address the following:

- Show who was consulted;
- Indicate what consultation mechanisms were used;
- Indicate when and how long the consultations were conducted;
- Discuss results of the consultation and whether the regulation changed as a result;
- Show how the regulation was revised to reflect and respond to comments received during the pre-publication process;
- Provide a rationale as to why the regulation might not respond to stakeholders' views or concerns; and
- Name any groups still opposed to the regulation.

The CDSR requires departments and agencies to identify interested and affected parties and to provide them with opportunities to take part in open, meaningful, and balanced consultations at all stages of the regulatory process. The "Consultation" section of the RIAS should demonstrate that this requirement has been met. Also, explicit recognition should be given to the Crown's unique relationship with Aboriginal peoples with respect to any existing rights under section 35 of the *Canadian Charter of Rights and Freedoms* that may be affected by a regulatory initiative.

Providing Canadians a full opportunity to be consulted and to participate in the regulatory process is a cornerstone of the CDSR. The public is to be encouraged to criticize ineffective or inefficient regulation and to offer suggestions for better ways to solve problems and meet social and economic objectives.

As is the case with other issues addressed in the RIAS, the extent of consultations undertaken should be influenced by the significance and anticipated impact of the proposed regulation. This, in turn, will be reflected in the length of the "Consultation" section. The RIAS should not contain an outline of all comments received nor an answer to each issue or concern raised. Departments that wish to provide detailed descriptions of their consultations should do so in a separate document and provide a Web link or departmental contact for information in the RIAS.

The RIAS should demonstrate that the consultation process was balanced and not unduly influenced by the views of one particular group. Also, when consultations were undertaken to gather data, it should be clear that data-collection methods were appropriate and that the robustness of results was validated. It is important to remember when writing the RIAS that consultations are never a legitimate substitute for analysis of an issue.

Pre-publication is also not a substitute for consultation. The groups that are most affected by the regulation should have been consulted before pre-publication. Pre-publication is intended only as a final check to give all interested parties a last opportunity to become informed about the government's planned course of action.

If, after consultation, there is still a group opposed to the regulation, the reason for opposition and the identity of the group should be noted. Comments received between pre-publication of the RIAS in the *Canada Gazette*, Part I, and final publication in the *Canada Gazette*, Part II, can involve situations where affected stakeholders submit concerns or challenges to the methodology or reasoning of the impact and cost-benefit analyses. Stakeholders may also submit letters of concern due to distributional issues, such as undue burden placed on one region or industry. While, for the most part, these concerns are responded to through independent letters by the department or agency, they can also necessitate changes to the regulation and/or clarifications to the RIAS prior to publication in the *Canada Gazette*, Part II. Such changes should be summarized in the "Consultation" section of the RIAS. In exceptional cases, consultation outcomes will alert regulators to unforeseen potential regulatory impacts, which may necessitate changes to the "Benefits and costs" section of the RIAS.

The date of pre-publication should also be indicated in the "Consultation" section. Before the RIAS is published in Part II of the *Canada Gazette*, the "Consultation" section should be revised to reflect and respond, at least in a general way, to comments that were received during the

pre-publication process. If no comments were received or no changes made to the regulation, this needs to be stated.

Note that, in some cases, comments received as a result of pre-publication may alert regulators to considerations that did not initially factor into the cost-benefit analysis for the proposed regulatory measure. This may result in a substantial change to the regulatory proposal. In these circumstances, it may be necessary to pre-publish for a second time before proceeding to the *Canada Gazette*, Part II.

Checklist	CDSR references
• Does this section explain how affected parties were consulted? • Does the section clarify which groups of stakeholders were consulted? Have their views been summarized? • If required, does the RIAS ensure that the confidentiality of specific stakeholder comments has been protected? • Have outstanding issues been addressed? If not, why? • If comments were received, does this section detail what measures were taken to address them?	CDSR Section 4.1, Regulatory consultation *Guidelines for Effective Regulatory Consultations*

Implementation, enforcement, and service standards

This section describes the implementation plan for a regulatory action, including any communications or outreach activities, dates for coming into force, partner institutions, or cooperation and coordination activities that will be necessary to ensure effective and efficient implementation.

Regulations are usually intended to modify the behaviour of individuals to protect or enhance the public interest. It cannot, however, be assumed that all individuals will voluntarily comply, and sanctions may be necessary to encourage compliance. The CDSR requires that departments and agencies establish compliance and enforcement policies as part of the regulatory development. The RIAS should describe these policies and demonstrate that they are warranted by the rationale and objectives set out for the regulatory activity.

This section of the RIAS should address the following:

- Explain the mechanism adopted to ensure compliance (including criminal law sanctions, ticketing, prohibition and corrective action orders, inspection, licensing, registration, or other government approval requirements);
- Describe means that will be used to detect non-compliance (e.g., inspection or testing); and
- Describe the penalties for non-compliance (e.g., fines, imprisonment, and taxes).

It is vital that rules, processes, sanctions, and actions of regulatory authorities be securely founded in law. The RIAS should indicate how regulations will be administered to ensure consistency across regions, how sanctions and penalties will be determined, and that they will be proportionate to the seriousness of the violation.

If the regulation pertains to a treaty with a foreign government, the RIAS should demonstrate that the regulation does not arbitrarily or unjustifiably discriminate against other jurisdictions. It should demonstrate that it is in line with Canada's international trade obligations. To obtain further clarification, departments and agencies should consult with the Legal Affairs Bureau of Foreign Affairs and International Trade Canada, as appropriate, and with the department's Technical Barriers and Regulations Division.

If necessary, this section should also identify the service standard (e.g., timelines for approval processes, such as licensing, permitting, and certification) that is associated with the regulatory activity. It should describe how the department will monitor its performance against the standard. If new or increased fees are being proposed, ensure that the process has been followed for setting service standards in accordance with the *Policy on Service Standards for External Fees* and the *User Fees Act*.

Checklist	CDSR references
• Have service standards been established in accordance with the principles or requirements of TBS policy and guidance? • Has a compliance and enforcement strategy been developed and summarized for readers? • Have any issues and possible barriers to compliance been clearly assessed? • If issues with compliance exist, are mechanisms to overcome them described?	CDSR Section 4.5, Planning for implementation, compliance, and enforcement

Performance measurement and evaluation

Information for this section of the RIAS is drawn from the *Handbook for Regulatory Proposals: Performance Measurement and Evaluation Plan* (PMEP).

A summary of the PMEP is to be included in the RIAS for only high-impact regulatory proposals, as determined by the triage process and in consultation with the appropriate TBS-RAS analyst. The PMEP section of the RIAS should clearly demonstrate how performance is being measured and how and when the department will evaluate implementation and results of the regulatory activity.

Key elements of the PMEP to be included in the RIAS are as follows:

- A summary of how the regulatory activities connect the inputs and activities to the outputs, to the target groups and the expected outcomes from the initiative (i.e., summary of the logic model);
- A description of the indicators that have been defined to measure changes in outputs and outcomes for the regulatory proposal;
- A description of how and when the information will be summarized, reported, and used to improve the performance of the regulatory activities;
- An outline of how (i.e., methodology) and when the regulatory activities will be evaluated; and
- An indication that the PMEP is available upon request.

Note: if the regulation involves a Treasury Board submission, the RIAS summary should be based on evaluation plan reports in section 9.6 of the submission. Please refer to *A Guide to Preparing Treasury Board Submissions*.

Checklist	CDSR references
• Does this section summarize how regulatory activities connect inputs and activities to outputs and target groups and expected outcomes from the initiative (i.e., summary of the logic model)? • Does it make reference to indicators that will be used to measure changes in outputs and outcomes? • Does it include information on how and when the information will be summarized, reported, and used to improve the performance of the regulatory activities? • Does it outline the methodology that will be used to evaluate the regulatory activity? • Does it indicate that the PMEP is available upon request?	CDSR Section 4.6, Measuring, evaluating, and reviewing regulation *Handbook for Regulatory Proposals: Performance Measurement and Evaluation Plan*

Contact

At the end of each RIAS, list the name, address, and telephone number of the person (including area codes and fax numbers, if applicable) in the department who is knowledgeable about the proposed regulation and can answer requests for information from the public.

Low-impact RIAS

In a low-impact RIAS, CDSR requirements must be addressed similarly to the medium/high-impact RIAS. The triage is a good place to start to know which CDSR elements

need sufficient treatment in the low-impact RIAS. Also, it may be helpful to refer to the checklists for each relevant section of the RIAS, as shown in the previous section of this guide.

Issue and objectives

This section should provide a brief statement describing the issue that the regulation will address and why government intervention is needed. Objectives of the proposed regulatory action should also be included in brief bullet form.

Description and rationale

A brief description of the proposed regulatory action, along with a justification demonstrating how the proposal will address the objectives, is proportionate to the degree and type of risk presented by the issue. This will not unduly impact other areas or sectors. A brief, qualitative assessment of expected benefits and costs must be included. While quantitative benefits and costs are not a requirement in the low-impact RIAS, they may also be included.

Consultation

Describe the consultation process, the main views of consulted parties, and how they were taken into account.

If the regulation is being considered for an exemption from pre-publication, this section needs to include information about consultations similar to that of a medium/high-impact RIAS for the *Canada Gazette*, Part II, as discussed in the previous section of this guide.

Implementation, enforcement, and service standards

Describe the implementation plan and compliance and enforcement strategies, as appropriate. Identify the service standard associated with the regulatory activity and describe how the department will monitor its performance against the standard.

Contact

Identify the contact person(s) for public enquiries.

RIAS for miscellaneous amendments regulations

Miscellaneous amendments regulations (MARs) can be used to implement amendments that are non-substantive and that have been classified through the triage process as “No” or “N/A” (not applicable). The RIAS for MARs is expected to contain the following sections: “Issue and objectives,” “Description and rationale,” “Consultation,” and “Contact.”

RIAS checklist

RIAS Section	Checklist	CDSR References
Executive summary	• Is the section within the 60-line (1,000-word) limit? • Does it provide a summary of only essential information?	
Issue	• Has the nature of the issue or risk been properly identified and assessed (how it may change over time)? • Has the need for government intervention been demonstrated? • Has a quantitative risk assessment been performed? • Have scientific and empirical evidence, uncertainties, ethical considerations, and public views of the public policy issue been summarized? • Has a Web link or departmental contact to the full risk-analysis been provided?	CDSR Section 4.2, Identifying and assessing public policy issues *Assessing, Selecting, and Implementing Instruments for Government Action*
Objectives	• Have public policy objectives been clearly stated in terms of tangible outcomes for Canadians?	CDSR Section 4.3, Setting public policy objectives *Assessing, Selecting, and Implementing Instruments for Government Action*
Description	• Has a summary description been provided with only essential details of the regulation? • Is it presented in clear and simple language, providing context to help the reader understand the regulation, but avoiding excess detail on the history of the legislation or regulation? • Does it describe who will be affected by the regulation and how? • Have linkages to enabling legislation and government priorities been established to ensure relevance and consistency?	CDSR Section 4.1, Regulatory consultation
Regulatory and non-regulatory options	• Have both regulatory and non-regulatory options considered been summarized, including the proposed regulatory action? • Have the key differences between the options been summarized and assessed?	CDSR Section 4.4, Selecting the appropriate mix of government instruments *Assessing, Selecting, and Implementing Instruments for Government Action*

RIAS Section	Checklist	CDSR References
Benefits and costs	• Is the depth of the analysis commensurate with the level of significance determined by the triage? • Have both costs and benefits of regulatory and non-regulatory measures been described? • Have both quantitative and qualitative measures been included? • Does the RIAS adequately summarize potential positive and negative economic, environmental, and social impacts on Canadians, businesses, and government of the proposed regulation and its feasible alternatives? • Is it clear how the positive and negative impacts may be distributed across various affected parties, sectors of the economy, and regions of Canada? • Has a Web link or departmental contact to the full cost-benefit analysis been provided? • Has a cost-benefit analysis summary statement of the quantifiable and non-quantifiable costs and benefits been presented?	CDSR Section 4.4, Analyzing the benefits and costs of regulation *Canadian Cost-Benefit Analysis Guide: Regulatory Proposals* *Guide to Market Assessment*
Rationale	• Does the rationale flow logically from the analysis, including costs and benefits and consultation results? • Is there a description of how the regulatory proposal results in the greatest overall benefit to Canadians and how it will meet objectives stated in the “Objectives” section? • Is it clear that the regulatory proposal is proportionate to the degree and type of risk presented in the “Issue” section and why it will not unduly impact other areas or sectors? • Does the RIAS show how adverse impacts have been mitigated and positive impacts enhanced for the environment, the health and safety of Canadians, businesses, consumers, competition, competitiveness, trade, and investment? • Is it clear how any administrative burden has been limited to impose the least possible cost on Canadians and businesses? Have specific needs of small businesses been addressed? • Is it clear that the regulatory proposal complies with Canada’s international obligations? • Has international cooperation been considered and have specific Canadian requirements been limited and justified?	CDSR Section 4.4, Selecting the appropriate mix of government instruments CDSR Section 4.4, Recommending an option CDSR Section 4.4, Coordination and cooperation *Guidelines on International Regulatory Obligations and Cooperation* *Guide to Market Assessment*

RIAS Section	Checklist	CDSR References
Consultation	• Does this section explain how affected parties were consulted? • Does the section clarify which groups of stakeholders were consulted, and have their views been summarized? • If required, does the RIAS ensure that the confidentiality of specific stakeholder comments has been protected? • Have outstanding issues been addressed? If not, why? • If comments were received, does this section detail what measures were taken to address them?	CDSR Section 4.1, Regulatory consultation *Guidelines for Effective Regulatory Consultations*
Implementation, enforcement and service standards	• Have proper service standards been established? • Has a proper compliance and enforcement strategy been developed and summarized for readers? • Have any issues and possible barriers to compliance been clearly assessed? • If issues with compliance exist, are mechanisms to overcome them described?	CDSR Section 4.5, Planning for implementation, compliance, and enforcement
Performance measurement and evaluation	• Does this section summarize how the regulatory activities connect inputs and activities to *outputs* to target groups and expected outcomes from the initiative (i.e., summary of the logic model)? • Does it make reference to the indicators that will be used to measure changes in outputs and outcomes? • Does it include information on how and when the information will be summarized, reported, and used to improve the performance of the regulatory activities? • Does it outline the methodology that will be used to evaluate the regulatory activity? • Does it indicate that the PMEP is available upon request?	CDSR Section 4.6, Measuring, evaluating, and reviewing regulation *Handbook for Regulatory Proposals: Performance Measurement and Evaluation Plan*