Smarter Regulation

Fact Sheet

Smarter Regulation is designed to improve policy making and the regulatory process, reduce unnecessary burdens on consumers and businesses, and deliver better and more cost-effective outcomes. A smarter fiscal policy, for instance, will encourage air connectivity by making air travel affordable and accessible for travelers, not restrict it through over taxation. A policy and fiscal framework based on smarter regulation principles positions a country for sustainable aviation growth.

IATA’s Smarter Regulation Framework is based on five Policy Design Principles and five Policymaking Process Principles. The framework is aligned with the OECD’s better regulation agenda and has been adopted by ICAO as a set of Good Regulatory Practices.

Smarter Regulation Policy Design Principles

- **Consistency and coherence:** Regulations should not overlap and lead to contradictions nationally or internationally and should be applied with oversight responsibility clearly delineated.
- **Proportionality:** Regulations should be applied only when necessary, and the costs of their application should be proportionate to the problems identified.
- **Targeted at risk:** Regulations should have specific and well-defined objectives that respond directly to the problems identified and targeted at the actors best placed to solve those problems.
- **Fair and non-distortive:** Regulations should be applied fairly and should not place discriminatory burdens on any particular group.
- **Clarity and certainty:** Regulations should clearly define the groups they apply to, should furnish those groups with clear information about what is expected of them, and should give groups enough time for compliance.

Smarter Regulation Process Principles

- **Defining a clear need:** The objective of a regulation should be identified based on sound evidence, and available alternatives must be considered.
- **Impact assessment:** There should be an assessment of the impact of any regulation.
- **Transparency:** The drafting of regulations should involve those who are potentially affected.
- **Reducing burdens and regular reviews:** The development and review of regulations should focus on reducing the overall compliance burden.
- **Opportunity to respond and revise:** There should be clear procedures for responses to adjudications and appeals and for any needed revisions to regulations.

Recent examples of Smarter Regulation in action include:

- CORSIA as a global standard in aviation for carbon offsetting and reduction;
- The revision of the EASA Basic Regulation, reducing burdens and creating a more consistent approach to oversight;

The European Accessibility Act, which reflects proportionality in that airlines will only have to apply the new provisions if they do not impose a disproportionate burden.

November 2020