Fact Sheet - Smarter Regulation

Smarter regulation delivers clearly defined, measurable policy objectives in the least burdensome way. A smarter fiscal policy, for instance, will encourage air connectivity, not restrict it through over taxation. A policy and fiscal framework based on smarter regulation principles positions a country for sustainable aviation growth.

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 sufficient 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.

Examples of countries implementing a smarter regulation approach include:

- The slots regulation in Colombia, which is consistent with Worldwide Slot Guidelines;
- The halving of the Austrian travel tax, demonstrating a more proportionate regulatory response;
- The removal of HOTRAN in Brazil, as a result of a review of current procedures;
- The clear procedures established for the release of airline blocked funds in Egypt.
- The alignment of advance passenger information/ passenger name record (API/PNR) requirements in Vietnam with global standards (reflecting the “consistency and coherence” principle).