

## EXECUTIVE SUMMARY

<b>TITLE</b>	:	Reducing Unnecessary Regulatory Burdens on Businesses (RURB) 2019
<b>OBJECTIVE</b>	:	<ol style="list-style-type: none"> <li>1. to identify areas where regulation imposes unnecessary burdens on businesses.</li> <li>2. to identify regulatory and non-regulatory options that will reduce regulatory burdens without compromising the achievement of the underlying policy objectives; and</li> <li>3. to provide a platform for comprehensive assessment of individual regulators performance in regard to their interaction and engagement with businesses.</li> </ol>
<b>EXPECTED OUTCOMES</b>	:	<ol style="list-style-type: none"> <li>1. Recommendation on the regulations/ procedures/ practices proposed for improvement or elimination;</li> <li>2. Potential compliance cost savings from the proposed recommended changes; and</li> <li>3. Well-informed regulator and business on matters relating to regulatory burdens on business.</li> <li>4. modernise business regulations to support economic growth and improve business efficiency by improving the quality of existing stock of regulations under review.</li> </ol>
<b>DURATION</b>	:	Jan – Dec 2019
<b>TOTAL COST</b>	:	RM766,000.00
<b>BUDGET</b>	:	RMK11 – MBR (2019)
<b>RECOMMENDED BY</b>	:	Productivity and Competitiveness Development (PCD) Division/ Smart Regulation (SR)
<b>COMMENT/ SIGNATURE BY PCT</b>	:	

# **MALAYSIA PRODUCTIVITY CORPORATION (MPC)**

## **PROPOSAL FOR BOARD OF MANAGEMENT**

### **1.0 Purpose**

The purpose of this paper is to inform Board of Management (BOM) on the Reducing Unnecessary Regulatory Burdens (RURB) 2019 programme and to request for the BOM approval for the estimated budget of **RM 766,000.00** to undertake a review of the stock of regulation for selected sector under study.

### **2.0 Background**

Regulations are requirements imposed by governments that influence the decisions and conduct of businesses, other organisations and consumers. It is inconceivable to think of a modern economy functioning without regulation. Good regulation minimises compliance costs and distortions to investment (efficiency), while still achieving its objectives (effectiveness) and delivering benefits which exceed the costs it imposes (appropriateness).

However, regulations also impose costs on businesses. When regulation is poorly designed, excessive, needlessly complex, duplicative, or formulated without adequate transparency or consultation, these costs are unnecessarily burdensome.

The Government has recognised that the costs of existing regulation may be unnecessarily high and is exploring ways in which the regulatory burden placed on businesses can be reduced. Not only will such reforms lead to ease of doing business, they will also improve the efficiency and productivity of the Malaysian economy, leading to improved living standards for the Australian people.

### **3.0 Eleventh Malaysia Plan (2016-2020) Mid-term review - New priorities and emphases (2018-2020)**

The Mid-Term Review of the Eleventh Malaysia Plan, with New Priorities and Emphases, aims to reform existing policies and outline the revised socioeconomic targets for 2018-2020. The Mid-Term Review outlines six pillars to support inclusive growth and sustainable development. In the remaining Plan period, 2018-2020, measures to support economic expansion will focus on strengthening sectoral growth and structural reforms, accelerating innovation and technology adoption as well as providing quality infrastructure.

The new Government will undertake extensive reforms in the overall administrative policies and practices to ensure the delivery of better and faster services to the rakyat and businesses. These initiatives will support the implementation of good regulatory

practices to accelerate implementation of regulatory reforms to facilitate ease of doing business and complement the productivity initiatives at sector level through the nine (9) productivity nexus.

In this regard, two (2) pillars and priority areas outline related to RURB programme are:

- i. Pillar I: Reforming Governance towards Greater Transparency and Enhancing Efficiency of Public Service, Priority Area D Enhancing public service delivery, Strategy D2: Redesigning Public Services outline various programmes and initiatives to be undertaken to improve public service delivery by expanding outreach to the rakyat. Greater emphasis was given to transform the public sector to become more citizen-centric through a whole-of-government approach.
- ii. Pillar VI: Strengthening Economic Growth, Priority Area A - Strengthening sectoral growth and structural reforms Strategy A1, A3 and A4. These initiatives comprise accelerating services sector transformation, re-energising manufacturing sector as well as developing modern and productive agriculture sector. Sectoral growth will be enhanced by improving productivity, increasing technology adoption and digitalisation as well as strengthening the business ecosystem.

#### **4.0 Objectives**

The overarching objective of regulatory review is to ensure that the stock of regulation is achieving its purpose (it is effective), that it is not imposing unnecessary distortions or burdens (it is cost-effective) and, by addressing real problems, will deliver net benefits to the community (it is efficient and appropriate) by improving the quality of regulation through regulatory review.

Immediate objective in undertaking RURB programme are as follows:

- 1) to identify areas where regulation imposes unnecessary burdens on businesses.
- 2) to identify regulatory and non-regulatory options that will reduce regulatory burdens without compromising the achievement of the underlying policy objectives; and
- 3) to provide a platform for comprehensive assessment of individual regulators performance in regard to their interaction and engagement with businesses.

#### **5.0 Outputs**

The expected outputs of the project will comprise of as follows:

- 1) Engagements, consultations, etc.
- 2) Workshops, training events, group discussions, etc.
- 3) Reports containing materials such as presentations, recommendations, work plan, minutes etc.,.

## 6.0 Outcomes

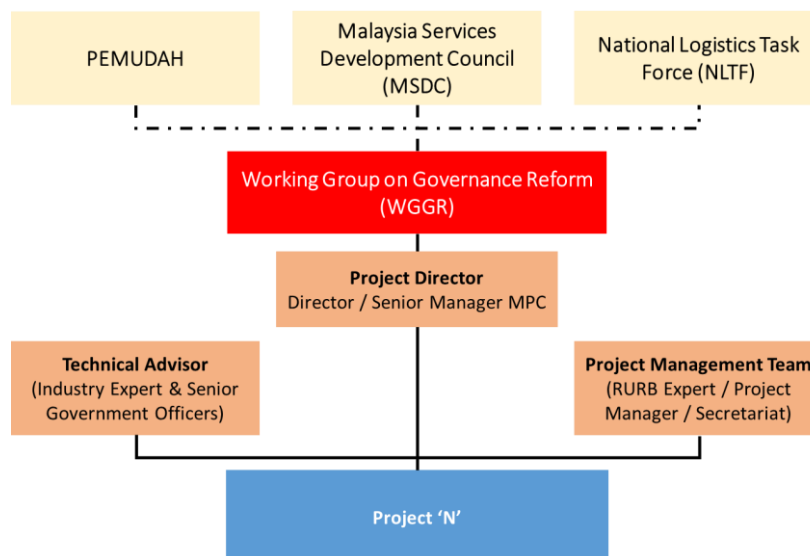
At the end of this project, the expected outcomes may include:

- 1) Recommendation on the regulations/ procedures/ practices proposed for improvement or elimination;
- 2) Potential compliance cost savings from the proposed recommended changes; and
- 3) Well-informed regulator and business on matters relating to regulatory burdens on business.
- 4) modernise business regulations to support economic growth and improve business efficiency by improving the quality of existing stock of regulations under review.

## 7.0 Programme proposal

List of project (Annex 1)

## 8.0 Project Governance



*Note: this reporting structure is not exhaustive and only includes some of the existing and most common platform. Governance on each project can be varied depending on the project output.*

## 9.0 Budget Summary

ITEMS	TOTAL (RM)
Consultants	448,000.00
Panel of Experts (Technical Expert, Advisor, Facilitator)	100,000.00
Secretariat	36,000.00
Researcher (RA), PSH	180,000.00
Report and document reviewer	20,000.00
Publications (Reports/Media release)	30,000.00
Hosting Workshop/ Meeting/ Seminar package	135,000.00
Benchmarking Study	54,000.00
Accommodation	4,000.00
Airline Flight Ticket	16,000.00
Officers travelling and subsistence allowances	24,000.00
World Bank RAS	1,000,000.00
<b>Total estimated budget for RURB programme 2019</b>	<b>2,047,000.00</b>
Budget MBR	766,000.00
Budget TPN Nexus	100,000.00
Budget Nexus	80,000.00
Budget MOT	56,000.00
Budget MPC SME	25,000.00
Budget NPDIR	20,000.00
Budget EPU-RAS	1,000,000.00
<b>Total budget allocation</b>	<b>2,047,000.00</b>

Note:

Details for MBR-RURB Project budget costing as per Annex 2.

Details of overall Project budget costing as per Annex 3.

## 10.0 Approval

The approval of the Board of Management (BOM) is sought on the MBR budget of **RM 766,000.00** and approval for budget disposal amount **RM 225,000.00** from other related development budget as follows:

CODE	PROGRAMME	ALLOCATION (RM)
P240040 71234570	Melaksanakan Inisiatif Produktiviti Nexus Peringkat Sektor (SPC)	<b>180,000.00</b>
P240040 80077557	Perlaksanaan Dasar Negara Bagi Pembangunan Dan Pelaksanaan Peraturan (NPDIR)	<b>20,000.00</b>
P240040 41234567	Skim Peningkatan Produktiviti Enterpris Selaras Dengan Malaysia Productivity Blueprint	<b>25,000.00</b>

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Reviewed by : Mohammed Alamin Rehan  
Senior Manager, PCD (SR)

**Date: 1 January 2019**

## ANNEX 1

CODE	PROGRAMME	MILESTONE 2019											
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>P1</b>	<b>RURB Sectoral Study</b>												
<b>A.</b>	Tourism Sector												
	i. Tourism – Short Term Accommodation Part 2 ii. Tourism Industry Act iii. Recommendation on Tourism Transport - legal technical assistance												
<b>P2</b>	<b>RURB Solutioning</b>												
<b>C.</b>	Tourism nexus - Review industry standards and regulations with industry's input												
<b>D.</b>	M&E nexus - Update of domestic product standards to be at par with international standards and enforce compliance												
<b>E.</b>	Agro-food nexus - Push for enforcement and adoption of relevant standards and practices to strengthen end-to-end value chain												
<b>F.</b>	Implementation of APEC Peer Review PC recommendation - Governance structure												
<b>P3</b>	<b>RURB Monitoring and Evaluation</b>												
<b>G.</b>	Distributive trade (2017)												

CODE	PROGRAMME	MILESTONE 2019											
		JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
H.	Courier services (2017)												
P4	Exploratory study												
I.	Single Border Agency feasibility study												
P5	International study												
J.	World Bank RAS on GRP in Malaysia - Promoting and Implementing GRP in Sectors (P2)												
P6	Training												
K.	Training on Public Consultation (PC) - Using IAP2 as a concept model to develop the guidelines												
L.	Measuring compliance costs												
P7	RMK 11 Mid-term Review												
M.	Warehousing Guidebook standard (SOP)												
N.	Warehouse Inventory												
P8	Media release / Publication												
O.	RURB Standard Operating Procedure in support to Conduct RURB programme												
P.	Import/Export Guidebook												
Q.	Customs - Container Detention												
R.	MAQIS - Import/Export Permits												
S.	RURB RMCD Recommendations Report												

CODE	PROGRAMME	MILESTONE 2019											
		JAN	FEB	MAC	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
<b>P9</b>	<b>Secretariat</b>												
<b>T.</b>	WGGR												
<b>U.</b>	WGHSE												
<b>V.</b>	FGGE												
<b>P10</b>	<b>Participating Member</b>												
<b>W.</b>	MSDC												
<b>X.</b>	NeCC												
<b>Y.</b>	NLTF												
<b>Z.</b>	FGTAB												
<b>AA.</b>	CWG1												
<b>BB.</b>	CWG2												
<b>CC.</b>	uCustoms												
<b>DD.</b>	Penubuhan Pasukan Penyelaras Easy Export Pilot Project (EPPP) for MSMES												
<b>EE.</b>	Penubuhan Badan Tunggal Menjaga Sempadan Malaysia												

Please note that the programme is subject to change due to i.e., government priority, the availability of funds and resources.

## ANNEX 2

CODE	ITEMS	Cost Per Unit (RM)	No. of Unit/ Pax/ Pages	No. of Hrs/ Days/ Months/ Trips	Cost (RM)
P1	Project consultant	2,000.00	2.00	50.00	100,000.00
	Media Release	5,000.00	2.00	1.00	10,000.00
	<b>sub-total</b>				210,000.00
P3 (G,H)	Project consultant	2,000.00	2.00	15.00	60,000.00
	<b>sub-total</b>				60,000.00
P4 (I)	Accommodation/ allowance/ Insurance	800.00	3.00	10.00	24,000.00
	Flight Ticket	10,000.00	3.00	1.00	30,000.00
	<b>sub-total</b>				54,000.00
P8 (O)	Project consultant	2,000.00	2.00	8.00	32,000.00
	Publication printing	250.00	20.00	1.00	5,000.00
	<b>sub-total</b>				37,000.00
P8 (Q,R,S)	Project consultant	2,000.00	1.00	10.00	20,000.00
	Publication printing	250.00	20.00	1.00	5,000.00
	<b>sub-total</b>				25,000.00
P9-10	Project Secretariat	3,000.00	1.00	12.00	36,000.00
	<b>sub-total</b>				36,000.00

CODE	ITEMS	Cost Per Unit (RM)	No. of Unit/ Pax/ Pages	No. of Hrs/ Days/ Months/ Trips	Cost (RM)
P1-P10	Panel of Experts (Technical Expert, Advisor, Facilitator)	2,000.00	10.00	5.00	100,000.00
P1-P10	Researcher (RA), PSH	5,000.00	3.00	12.00	180,000.00
P9-10	Report and document reviewer	2,000.00	2.00	5.00	20,000.00
P1-P10	Hosting Workshop/ Meeting/ Seminar package	250.00	20.00	20.00	100,000.00
P1-P10	Officers accommodation	250.00	2.00	8.00	4,000.00
P1-P10	Officers flight ticket	1,000.00	2.00	8.00	16,000.00
P1-P10	Officers travelling and subsistence allowances	500.00	4.00	12.00	24,000.00
	<b>sub-total</b>				444,000.00
	<b>Total allocation for MBR-RURB</b>				<b>766,000.00</b>

# ANNEX 3

CODE	ITEMS	Cost Per Unit (RM)	No. of Unit/ Pax/ Pages	No. of Hrs/ Days/ Months/ Trips	Cost (RM)	Remarks
P1	Project consultant	2,000.00	2.00	50.00	200,000.00	TPN Budget Allocation RM 100,000.00
	Media Release	5,000.00	2.00	1.00	10,000.00	
	<b>sub-total</b>				210,000.00	
P2	Project consultant	2,000.00	4.00	10.00	80,000.00	Nexus Budget Allocation
	<b>sub-total</b>				80,000.00	
P3 (G,H)	Project consultant	2,000.00	2.00	15.00	60,000.00	
	<b>sub-total</b>				60,000.00	
P4 (I)	Accommodation/ allowance/ Insurance	800.00	3.00	10.00	24,000.00	
	Flight Ticket	10,000.00	3.00	1.00	30,000.00	
	<b>sub-total</b>				54,000.00	
P5 (J)	Project consultant	1.00	1.00	1,000,000.00	1,000,000.00	EPU New Budget Approval
	<b>sub-total</b>				1,000,000.00	
P6 (K,L)	Hosting Workshop	250.00	20.00	4.00	20,000.00	NPDIR Budget Allocation
	<b>sub-total</b>				20,000.00	
P7 (M,N)	Project consultant	2,000.00	3.00	6.00	36,000.00	

CODE	ITEMS	Cost Per Unit (RM)	No. of Unit/ Pax/ Pages	No. of Hrs/ Days/ Months/ Trips	Cost (RM)	Remarks
	Hosting Workshop/ Meeting/ Seminar package	250.00	15.00	4.00	15,000.00	Budget Allocation From MOT
	Media release	5,000.00	1.00	1.00	5,000.00	
	<b>sub-total</b>				56,000.00	
P8 (O)	Project consultant	2,000.00	2.00	8.00	32,000.00	
	Publication printing	250.00	20.00	1.00	5,000.00	
	<b>sub-total</b>				37,000.00	
P8 (P)	Project consultant	2,000.00	1.00	10.00	20,000.00	MPC SME Program Budget Allocation
	Publication printing	250.00	20.00	1.00	5,000.00	
	<b>sub-total</b>				25,000.00	
P8 (Q,R,S)	Project consultant	2,000.00	1.00	10.00	20,000.00	
	Publication printing	250.00	20.00	1.00	5,000.00	
	<b>sub-total</b>				25,000.00	
P9-10	Project Secretariat	3,000.00	1.00	12.00	36,000.00	
	<b>sub-total</b>				36,000.00	
P1-P10	Panel of Experts (Technical Expert, Advisor, Facilitator)	2,000.00	10.00	5.00	100,000.00	
P1-P10	Researcher (RA), PSH	5,000.00	3.00	12.00	180,000.00	
P9-10	Report and document reviewer	2,000.00	2.00	5.00	20,000.00	

CODE	ITEMS	Cost Per Unit (RM)	No. of Unit/ Pax/ Pages	No. of Hrs/ Days/ Months/ Trips	Cost (RM)	Remarks
P1-P10	Hosting Workshop/ Meeting/ Seminar package	250.00	20.00	20.00	100,000.00	
P1-P10	Officers accommodation	250.00	2.00	8.00	4,000.00	
P1-P10	Officers flight ticket	1,000.00	2.00	8.00	16,000.00	
P1-P10	Officers travelling and subsistence allowances	500.00	4.00	12.00	24,000.00	
	<b>sub-total</b>				444,000.00	
	<b>Total estimated budget for RURB programme 2019</b>				<b>2,047,000.00</b>	
B1	<b>Budget MBR</b>				766,000.00	Allocation for P1
B2	<b>Budget TPN Nexus</b>				100,000.00	Allocation for P1
B3	<b>Budget Nexus</b>				80,000.00	Allocation for P2
B4	<b>Budget EPU-RAS</b>				1,000,000.00	Allocation for P5 (J)
B5	<b>Budget MOT</b>				56,000.00	Allocation for P7 (M,N)
B6	<b>Budget NPDIR</b>				20,000.00	Allocation for P6 (K,L)
B7	<b>Budget MPC SME</b>				25,000.00	Allocation for P8 (P)

**Note: Total sum is the Total budget MBR allocation if, approval budget disposal for B2-B7 is obtained**