

# **Project Report on Adopting Agile Regulatory Governance to Foster Innovation**

---

**APEC Economic Committee**

**January 2026**



**Asia-Pacific  
Economic Cooperation**





**Asia-Pacific  
Economic Cooperation**

# **Project Report on Adopting Agile Regulatory Governance to Foster Innovation**

**APEC Economic Committee**

**January 2026**

APEC Project: EC 201 2023A

Produced by  
Malaysia Productivity Corporation (MPC)  
Aras 9, Menara MATRADE,  
Jalan Sultan Haji Ahmad Shah,  
50480 Kuala Lumpur  
Tel: 603 7955 7266  
Email: [infokorporat@mpc.gov.my](mailto:infokorporat@mpc.gov.my)

For  
Asia-Pacific Economic Cooperation Secretariat  
35 Heng Mui Keng Terrace  
Singapore 119616  
Tel: (65) 68919 600  
Fax: (65) 68919 690  
Email: [info@apec.org](mailto:info@apec.org)  
Website: [www.apec.org](http://www.apec.org)

© 2026 APEC Secretariat

APEC#226-EC-01.1

## Table of Contents

List of Abbreviations .....	4
1. Introduction .....	5
2. Background of the Adopting Agile Regulatory Governance to Foster Innovation Project (Project) .....	6
3. Project Report Approach .....	7
4. Background Paper and Key Outcomes of the Survey .....	8
5. Implementation Toolkit and Scorecard .....	16
6. Key Takeaways from the Virtual Capacity Building Session .....	23
7. Common Challenges and Future Priorities for Agile Governance .....	26
8. Practical Actions for Implementation .....	29
9. Conclusion .....	30

## List of Abbreviations

APA	Aotearoa Plan of Action
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of Southeast Asian Nations
AI	Artificial Intelligence
EAASR	Enhanced APEC Agenda for Structural Reform
GRP	Good Regulatory Practice
MSME	Micro, Small, and Medium Enterprises
NPGRP	National Policy on Good Regulatory Practice
PESTLE	Political, Economic, Social, Technological, Legal & Environmental
Project	Adopting Agile Regulatory Governance to Foster Innovation Project
RIA	Regulatory Impact Analysis
RIS	Regulatory Impact Statement
Survey	Survey on Agile Approaches to Regulatory Governance of Innovation
RMT	Regulatory Management Tools

## **1. Introduction**

### **1.1. The Catalyst for Agility**

In an era of rapid technological advancement, increasing global competition and innovation across all sectors, there arises a need to have the right regulatory frameworks in place that can promote economic growth. However, the traditional regulatory landscape is conventionally rigid and often struggles to keep up with the rapid pace of innovation. This presents significant barriers that stifle economic growth, hindering the introduction of new ideas, products and business models as a result.

Economies' experiences with COVID-19 exemplifies the shortcomings of traditional regulatory landscapes and their inability to adapt to new problems and emerging solutions. Hence, regulators are now faced with the dilemma of having to safeguard public interest while also ensuring that their efforts are not overbearing to the extent that such interests are unnecessarily obstructed.

In the recognition of such challenges, agile regulatory governance has emerged as a viable and promising approach. With collaborative and iterative values in policymaking, this method enables regulators to work closely with industry stakeholders in the implementation of frameworks that are both suitable and adaptable to new technologies and innovation. The involvement of industry leaders and innovation drivers facilitates the typical oversight process whereby the right expertise is utilised in creating an enabling environment for the integration of new technologies. By focusing on the future, agile governance can help ensure effective management of public interests while promoting laws and regulations that support innovation- leading to strong, resilient, and sustained economic growth.

### **1.2. APEC's Response**

Considering this shift towards agility, APEC economies should be prepared to adopt principles of agile regulatory governance to ensure the community does not become overburdened by both international and domestic developments. In line with APEC's broader commitments under both the Aotearoa Plan of Action (APA) and the Putrajaya Vision 2040, the long-term goal is to create a conducive environment for economic growth.

Pursuant thereof, it becomes necessary to assess the current landscape and level of awareness regarding agile regulatory governance within APEC economies. Though the call for agility is apparent, it's important to keep in mind that APEC is a cooperative effort of myriad economies that vary in terms of regulatory capacity.

## 2. Background of the Adopting Agile Regulatory Governance to Foster Innovation Project (Project)

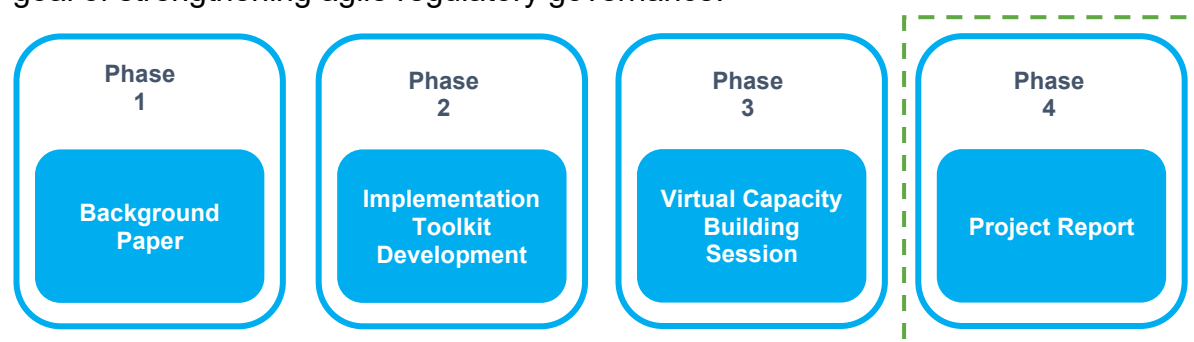
The Adopting Agile Regulatory Governance to Foster Innovation Project (Project) seeks to explore how agile approaches to regulatory governance can enhance adaptability while ensuring effective oversight and governance. This Project under Enhanced APEC Agenda for Structural Reform (EAASR), aligned with the Aotearoa Plan of Action (APA) and the Putrajaya Vision 2040, aims to support APEC economies in modernising their regulatory practices to better respond to emerging technologies, encourage innovation and maintain economic resilience. The Project also recognises the importance of cross-border regulatory coordination, acknowledging that innovation often transcends domestic boundaries and requires cooperative regulatory approaches to maintain fair and consistent governance across economies.

### 2.1. Objectives of the Project

In order to address the challenges faced by regulators in keeping pace with innovation, which in turn hinders the introduction of new ideas, products and business models, it is imperative to develop agile regulatory frameworks. These frameworks should not only foster swift technological advancements but also effectively assess challenges of integrating new technologies. A more agile, flexible and well-adapted regulatory policy, combined with innovative governance approaches, can help reconcile the effectiveness and innovation-friendliness of laws and regulations. This will enable economies to seize and harness the potential of innovation for economic growth.

### 2.2. Key Deliverables of the Project

The Project comprises four key components, each contributing to the overarching goal of strengthening agile regulatory governance.

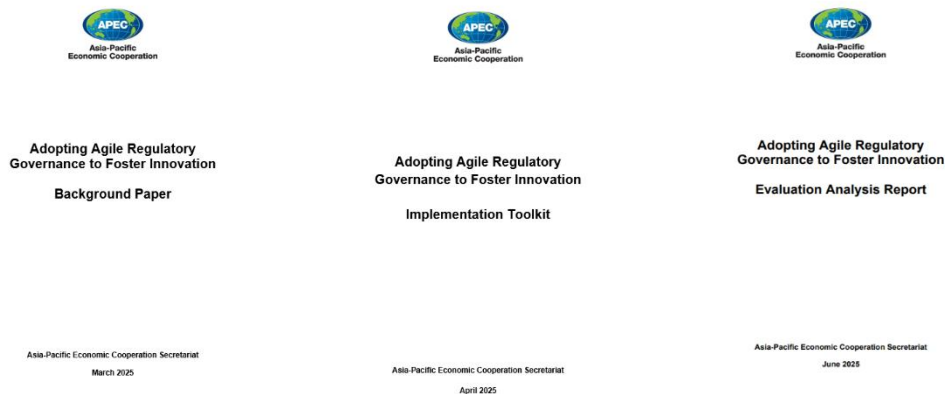


- The Background Paper provides an analysis of regulatory governance within APEC economies, focusing on the adaptability of regulatory management tools, the coordination of regulatory systems and the challenges faced in keeping pace with innovation. It incorporates findings from an online survey that assesses APEC economies' awareness and implementation of agile regulatory approaches. The paper also showcases best practices, case studies and future priorities for regulatory agility.

- The Implementation Toolkit is a user-friendly, practical guide to support regulators and policymakers in assessing and improving their governance frameworks. The Implementation Toolkit includes a scorecard as a diagnostic tool, enabling regulators to benchmark their regulatory agility against best practices derived from the Background Paper. By providing structured approaches and actionable insights, the Implementation Toolkit aims to facilitate the integration of agile regulatory governance across different regulatory environments.
- The Virtual Capacity-Building Session was a four-hour interactive session designed to equip regulators with the knowledge and skills necessary for implementing agile regulatory governance. The session provided an overview of key research findings and presented best practice case studies. It also included hands-on training on the use of the Implementation Toolkit. Participants from APEC economies engaged in interactive discussions and Q&A to deepen their understanding of agile regulatory governance.
- This Project Report consolidates the findings of all phases of the Project, including insights from the Background Paper, outcomes of the surveys, the Implementation Toolkit and scorecard, as well as the identification of common challenges, future priorities for agile governance, and key takeaways from the Virtual Capacity-Building Session. Beyond outlining practical actions for implementing agile regulatory governance, it serves as a record of the Project's work and a reference document to guide regulators and policymakers in advancing agile regulatory governance.

### 3. Project Report Approach

The key methodological components for this Project Report comprise the findings of all previous phases and the key deliverables of the Project, from the Background Paper to the Implementation Toolkit and the Evaluation Analysis Report of the Virtual Capacity Building Session.



This Project Report is premised on the assessment of the baseline of implemented agile regulatory approaches and outlines practical actions to support their further implementation in regulatory governance. The ex-post evaluations and practical actions outlined in this Project Report are substantiated by key findings from

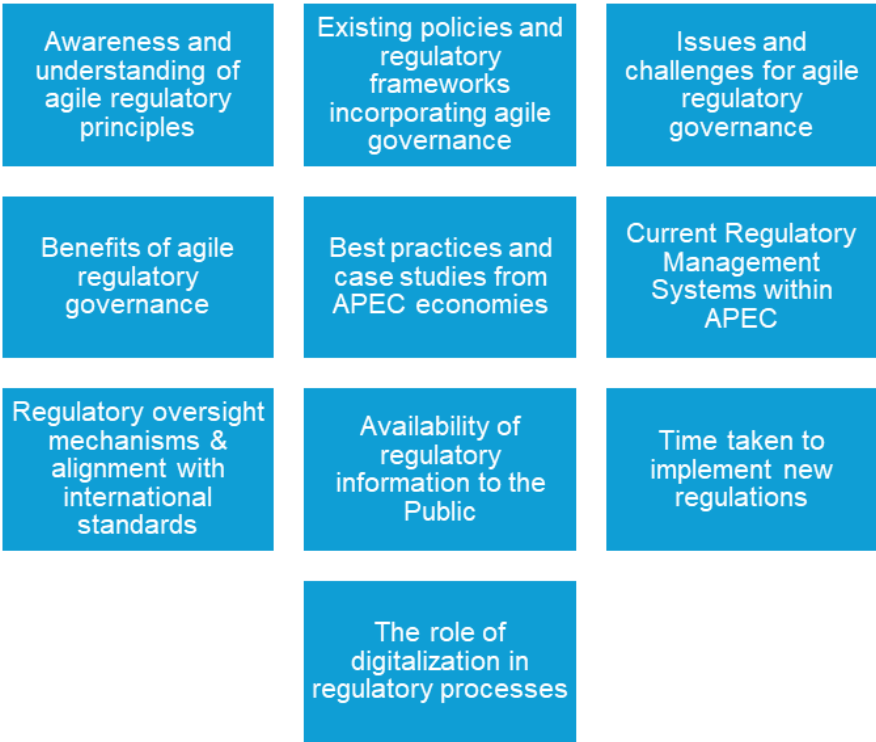
surveys conducted on APEC Economies throughout this Project, desktop research of best practices, case studies of regulatory agility among APEC economies as well as data collected from the Virtual Capacity-Building Session.

**4. Background Paper and Key Outcomes of the Survey**

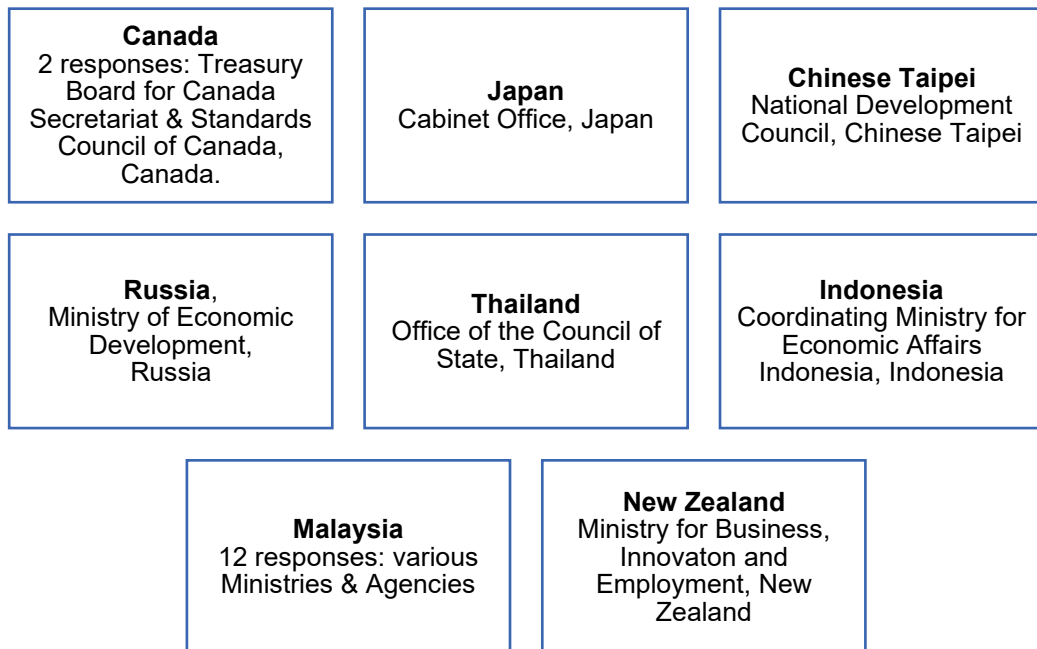
**4.1. Methodology of the Background Paper**

As the first phase of the Project, the Background Paper constitutes a substantive component of the Project Report, providing the evidentiary and analytical foundation of the Project’s recommendations and subsequent evaluation. It is based primarily on the findings of the Survey on Agile Approaches to Regulatory Governance of Innovation, which was disseminated to all APEC economies on 8 January 2025. The survey served a dual function, firstly as an ex-ante evaluation that assessed the initial familiarity of APEC economies with agile regulatory approaches, the extent of their adoption, and the specific barriers or challenges encountered, and secondly, as a foundation for ex-post evaluation that establishes a reference point against which the impact, outcomes and effectiveness of agile regulatory approaches can be measured following their implementation.

The areas of the survey’s questions are set out as follows:



Regulators were cordially invited to provide their input and responses on the survey by 17 January 2025. The deadline was later extended at the request of APEC economies to 31 January 2025, and again to 7 February 2025. A final extension to 21 February 2025 was given to encourage APEC economies to provide further insight into agile regulatory governance within their respective jurisdictions. 20 responses were received from a total of 8 APEC economies. The details of the respondents, including their economy representation and institutional affiliations are illustrated as below:



## Limitations of Survey Data

It is pertinent to note as well at this juncture that while APEC comprises 21 member economies, the analysis contained in the Background Paper is based on submissions from 8 economies that responded to the Survey. In some feedback received, respondents did not provide answers to all questions, resulting in limited data coverage for specific areas of analysis. The information presented reflects the input as provided by the respective regulatory authorities and while every effort has been made to accurately reflect these submissions, the analysis has not independently verified the factual accuracy of the information received.

## Desktop Research

In addition to the survey, desktop research was conducted to provide a broader contextual analysis of agile regulatory governance within APEC economies. This research involved reviewing existing policies, regulatory frameworks as well as relevant literature. It also aimed to identify common themes and variations on how different economies approach regulatory agility. By analysing publicly available sources, it supplemented the survey findings by offering additional context on regulatory approaches and challenges within APEC economies.

### 4.2. Background Paper and Key Outcomes of the Survey

#### Adaptability of Regulatory Management Tools within APEC

Regulatory Management Tools (RMTs) refer to specific methods and systems used by government bodies to monitor and review regulations with a foundation on improving the system of governance, aiming to ensure that laws are effective and efficient. These regulatory mechanisms take the form of institutions, tools and processes such as GRP, public consultation mechanisms, regulatory sandboxes,

and oversight institutions, all of which can play a critical role in shaping policy and regulatory environments across APEC economies<sup>1</sup>.

## **GRP in APEC Economies**

APEC economies have exhibited positive and varying degrees of GRP implementation, reflecting differences in governance structures and domestic priorities. GRP implementation across APEC economies varies, with some economies integrating well-established regulatory frameworks while others are in the early stages of adoption.

Australia; Canada; New Zealand; and the United States have long-standing GRP structures, incorporating impact analysis, public consultation, and transparent rulemaking processes. For instance, Canada's Cabinet Directive on Regulation mandates GRP principles across all federal regulatory bodies and is seeking to integrate GRP chapters into its free trade agreements. Demonstrating that GRP principles are now being embedded into broader governance frameworks, extending beyond regulatory bodies to shape trade, economic policies, and cross-sectoral decision-making.

Other economies have followed suit, such as Malaysia Productivity Corporation (MPC) an oversight body responsible for promoting and supporting the implementation of the National Policy on Good Regulatory Practice (NPGRP) which includes requiring for regulators that propose amendments to their regulations or new regulations and encouraging periodic review of regulations. Economies such as Indonesia; the Philippines; Viet Nam and other ASEAN economies are gradually but similarly strengthening GRP adoption through capacity-building initiatives, public consultation mechanisms and for some, their own version of GRP frameworks.

In Japan, multiple ministries and agencies are responsible for the creation and enforcement of regulations within their respective sectors. The process of creating and implementing regulations involves several steps, including impact assessments, consultations with advisory committees established by each ministry or agency, and public comment periods. Once finalised, regulations are communicated widely through official channels such as the official gazette. Even after implementation, regulations undergo post-implementation evaluations, which are based on the pre-assessments conducted during the regulatory development process.

Understanding how APEC economies apply GRP provides valuable insight into the state of regulatory agility across the region. According to the survey data, almost all respondents from APEC economies agree that some form of GRP is implemented within their respective jurisdictions.

## **Public Consultation in APEC Economies**

Understanding how APEC economies approach public consultation provides insight into the level of transparency and stakeholder engagement in regulatory processes.

---

<sup>1</sup> APEC (2011), Good Regulatory Practices in APEC Member Economies -Baseline Study, [https://www.apec.org/docs/default-source/publications/2011/11/good-regulatory-practices-in-apec-member-economies---baseline-study/2012\\_scsc\\_grpbaseline.pdf?sfvrsn=575889e6](https://www.apec.org/docs/default-source/publications/2011/11/good-regulatory-practices-in-apec-member-economies---baseline-study/2012_scsc_grpbaseline.pdf?sfvrsn=575889e6)

**Canada** uses the 'Consulting the Canadians' portal to track public consultations on federal regulations. The portal allows stakeholders to access consultation documents and submit feedback. The economy ensures inclusive participation, engaging both businesses and civil society. Canada also uses RIA to complement consultations and ensure that regulations are evidence-based. Malaysia, through RIA uses stakeholder analysis to identify all relevant stakeholders for consultations. Malaysia's Unified Public Consultation Portal is a digital tool that provides access to consultation documents and allows for online feedback.

Similarly, **Australia** provides public comment periods and consultation periods for regulations. The economy requires RIA too among others, ensure stakeholder input is considered. Consultation occurs across state and federal levels, promoting coordination between jurisdictions. **New Zealand** uses online platforms, email newsletters, and community meetings to engage a broad range of stakeholders. Public consultation is expected and Regulatory Impact Statement (RIS) are published publicly.

**Russia** conducts a 3-stage public consultation process which includes early notices on proposed regulations, public input on the regulatory decision, and a final review of the draft. This process is supported by official media, bulletins, and websites to inform stakeholders and gather input. **Thailand** uses a flexible public consultation system, selecting the most suitable method based on the regulation being proposed. The government employs ICT tools, media releases, and official websites to notify the public and encourage participation.

**Japan's** regulatory system involves ministries and agencies responsible for regulation in specific sectors. Public consultations occur early in the regulatory process, often through impact assessments and advisory committee discussions. Regulations are communicated via the official gazette, and post-implementation evaluations are conducted to assess their effectiveness. **Korea** uses a digital consultation platform where stakeholders can access draft regulations and submit comments. The consultation process involves businesses, civil society, and local governments. The government also conducts public hearings and focus groups to facilitate further engagement.

**China** has made progress in public consultation by publishing draft laws and regulations online for public comment. However, concerns remain about the depth and inclusiveness of consultations. The economy is working on improving the scope of consultations to ensure broader and more meaningful participation<sup>2</sup>.

According to the survey data, almost all respondents from APEC economies are generally active in conducting public consultation with relevant stakeholders when proposing new amendments or regulations.

However, not every member economy has a uniform consensus to utilise public consultations across its regulatory bodies. For instance, although a majority of Malaysian organisations conduct public consultations for the review of regulations, certain regulators have indicated that they do not always do so. This demonstrates

---

<sup>2</sup> APEC (2019), *Compendium of Public Consultation Initiatives of Volunteer APEC Member Economies*, [https://www.apec.org/docs/default-source/publications/2019/6/compendium-of-public-consultation-initiatives-of-volunteer-apec-member-economies/219\\_ec\\_compendium-of-public-consultation-initiatives-of-volunteer-apec-member-economies.pdf?sfvrsn=d5f3b752\\_1](https://www.apec.org/docs/default-source/publications/2019/6/compendium-of-public-consultation-initiatives-of-volunteer-apec-member-economies/219_ec_compendium-of-public-consultation-initiatives-of-volunteer-apec-member-economies.pdf?sfvrsn=d5f3b752_1)

that the practice is not consistently applied across all regulators and highlights the need for more widespread implementation.

## Regulatory Sandboxes in APEC Economies

Several APEC economies have adopted regulatory sandboxes to support innovative approaches and improve regulatory adaptability. **The Philippines** follows a "test-and-learn" approach, enabling firms to experiment with innovative solutions before formal regulations are enacted<sup>3</sup>. **Thailand's** FinTech Sandbox, launched by the Bank of Thailand (BOT) in 2016, enabled innovations like QR code payments and blockchain, leading to the Thai QR Code Payment Standard. The Securities and Exchange Commission (SEC) and Office of Insurance Commission (OIC) later introduced sandboxes for securities trading, insurance, and digital assets, while the BOT's P2P lending sandbox collects data to refine fintech regulations.<sup>4</sup>

**Hong Kong, China's** Fintech Supervisory Sandbox (FSS) allows banks and tech firms to test fintech solutions with limited regulatory requirements. In 2024, Hong Kong Monetary Authority (HKMA) introduced FSS 3.1, Project Ensemble for asset tokenisation, Sandbox for AI in finance and the Stablecoin Issuer Sandbox for stablecoin testing<sup>5</sup>. **Malaysia**, through Bank Negara Malaysia, operates a regulatory sandbox on streamlining financial services. The National Regulatory Sandbox (NRS) enables controlled testing of new policies and regulations and the National Technology and Innovation Sandbox (NTIS) supports the testing and commercialisation of emerging technologies.

In **Singapore**, the Monetary Authority of Singapore (MAS) oversees fintech sandboxes, the Infocomm Media Development Authority (IMDA) supports data innovation, the Ministry of Health (MOH) runs LEAP for healthcare, and the Energy Market Authority (EMA) facilitates energy sector experimentation<sup>6</sup>. **Korea's** regulatory sandbox framework spans ICT, industrial convergence, finance, and special zones, allowing businesses to test innovations under temporary regulatory exemptions which are overseen by multiple ministries<sup>7</sup>. The Government of Canada on the other hand is expanding the use of regulatory sandboxes with Transport Canada leading efforts in testing Remotely Piloted Aircraft Systems (drones). Special certificates allow businesses to conduct tests on unregulated drone activities under government oversight. Findings from these tests help shape Canadian Aviation Regulations, supporting the safe integration of advanced drone operations.

**Indonesia's** Financial Services Authority (OJK) operates a regulatory sandbox for fintech companies to test digital financial services and products. Similarly, the New Zealand Financial Markets Authority (FMA) is currently in the midst of its pilot test

---

<sup>3</sup> Wechsler, Michael and Perlman, Leon and Gurung, Nora (November 16, 2018), *The State of Regulatory Sandboxes in Developing Countries*, <https://ssrn.com/abstract=3285938>

<sup>4</sup> Tech For Good Institute (24 June, 2024), 'Accelerating Innovation: Thailand's Journey with Regulatory Sandboxes' <https://techforgoodinstitute.org/blog/expert-opinion/thailands-journey-with-regulatory-sandboxes/>

<sup>5</sup> HKMA, (2024). *HKMA launches Project Ensemble Sandbox to accelerate adoption of tokenisation* Press Release. [Hong Kong Monetary Authority - HKMA launches Project Ensemble Sandbox to accelerate adoption of tokenisation](https://www.hkma.gov.hk/eng/press/2024/06/24/01)

<sup>6</sup> [mas.gov.sg](https://www.mas.gov.sg), [imda.gov.sg](https://www.imda.gov.sg), [moh.gov.sg](https://www.moh.gov.sg), [ema.gov.sg](https://www.ema.gov.sg)

<sup>7</sup> JaeHoon Lee; Hee Yeong Chung (2019). *Regulatory Sandbox: Korea's New Regulation Paradigm*. Korea Institute of S&T Evaluation and Planning. [Browse Issue | Asian Research Policy : KISTEP Korea Institute of S&T Evaluation and Planning](https://www.kistep.or.kr/eng/research-policy)

from January to July 2025 that allows financial firms to test innovative products, services or business models.

These sandboxes demonstrate the diversity in regulatory approaches across APEC economies. While some focus on sector-specific innovations, others take a broader, market-driven approach to fostering innovation in different sectors. According to the survey data, all respondents from APEC economies have regulatory sandboxes within their jurisdiction.

## **Key Trends and Common Challenges**

### **i. Basic Principles**

Economies differ in their readiness to adopt new principles, including regulatory agility, due to variations in existing frameworks, institutional capacity, and regulatory priorities. On the outset, regulatory agility is not a foreign concept to the region. Based on responses received, most responding economies express some familiarity with the term and are able to describe it with sufficient clarity.

Economies such as **Canada** have made commendable progress in issuing an executive directive that not only encourages but mandates its regulators to adopt agile regulatory initiatives. Other economies, such as **Indonesia** and **Japan** seem to adopt regulatory agility in principle though not expressly in any existing policy/regulation. Nevertheless, Indonesia has previously envisioned establishing an adaptive and principle-based regulatory system as part of its National Long-term Development Plan 2025-2045 in line with the basic worldview of agile governance.

Regulatory agility is also present in **Chinese Taipei**, through its Startup Regulatory Adjustment Platform. Though not a policy *per se*, this mechanism allows the government to shift from making reactive regulatory adjustments to optimising existing frameworks to encourage coordination & business growth. Therefore, these efforts by APEC economies hint that though regulatory agility has not universally codified, its seeds have already been planted for the future.

Both Malaysia and Thailand have also made good progress on implementing agile regulatory governance. In **Thailand**, the Rules on Legislative Drafting and Evaluation of the Outcomes of Law Act B.E. 2562 embodies key agile regulatory principles and practices such as comprehensive stakeholder engagement, ex-post evaluation mechanisms and improved transparency requirements. Comparatively, **Malaysia** encourages regulatory agility through its NPGRP and administrative circulars on Bureaucratic Reform (RKB) and Regulatory Experimentation (RE). These policy documents outline Malaysia's commitment towards agile-thinking and encourages government entities to adopt a more lean and flexible approach to regulation.

Similarly, **Russia** has also implemented a 'Regulatory Guillotine' through its federal law №247-FZ "On Mandatory Requirements in the Russian Federation" dated July 31, 2020. This regulatory mechanism targets laws that came into force prior to

January 2020 and serves to reduce excessive administrative burdens through regular review and repeal.

Overall, economies understand that agility translates to a dynamic, responsive and flexible form of regulation. Certain economies have highlighted that the approach has been applied in specific innovation-based sectors (e.g., fintech, digital economy), but also has the potential of being developed further in other sectors. Nevertheless, while the adoption of regulatory agility in existing policies/regulations seems promising, certain economies still lack an explicit instrument for its enforcement.

## ii. Practising Agile Regulatory Governance

As aforementioned, though economies may be acquainted with regulatory agility, the translation of this approach to reality varies. For example, some economies benefit from having a regulatory oversight body in spearheading agile practices while other economies distribute the mandate across two or more government entities.

In **Canada**, the Treasury Board Secretariat serves as the primary focal point for the Cabinet Directive on Regulation, providing advice and guidance to other departments and agencies to ensure compliance with the directive. In contrast, **Thailand** has a dedicated regulatory oversight body, the Office of the Council of State, which plays both oversight and advisory roles. It reviews proposed legislation and its potential impacts while actively contributing to policy development and the promotion of best practices.

In **Japan**, regulatory oversight is managed by the Council for the Promotion of Regulatory Reform under the Cabinet Office and the Administrative Evaluation Bureau under the Ministry of Internal Affairs and Communications. Similarly, in **Indonesia**, oversight is more dispersed, with responsibilities shared among the State Secretariat, the Ministry of Law, and the Coordinating Ministry of Economic Affairs.

In **Malaysia**, the Ministry of Science, Technology and Innovation (MOSTI), the Ministry of Finance and MPC have been actively driving initiatives on agile regulatory practice.

In **New Zealand**, regulatory oversight functions have recently been transferred as of March 2024 to a new standalone Ministry for Regulation. This Ministry's functions comprise of ensuring regulatory quality, improving existing regulatory systems, raising capabilities of those involved in regulatory design and the delivery and fostering of ongoing improvements in the regulatory management system.

**Russia** follows a different approach, where each regulatory area is overseen by a supervising ministry, with a designated Deputy Chairman of the Government of the Russian Federation providing overarching coordination. Unlike some other APEC economies, there is no dedicated regulatory oversight body spearheading agile regulatory governance, as responsibilities are distributed across various ministries.

The approaches to regulatory oversight across APEC economies vary with some economies having dedicated bodies while others distribute responsibilities across

multiple agencies or ministries. While coordination mechanisms may exist, the level of centralisation and focus on agile regulatory governance differs. Strengthening regulatory coherence and ensuring more structured oversight could enhance the effectiveness of regulatory frameworks across the region.

Based on the survey, it can be inferred such as that while the turnaround of drafting new legislation is generally quick, the frequency of ex-ante evaluations remains limited. **Japan; Russia; and Chinese Taipei** report that their frameworks are regularly reviewed and evaluated. In contrast, economies such as **Canada; Malaysia; and Thailand** conduct reviews every two to five years while **Indonesia** review their frameworks every five to ten years.

The survey also assessed how often regulatory outcomes are monitored and evaluated across APEC economies. The responses vary, with some economies conducting evaluations regularly, while others do so less frequently. Most respondents indicated that monitoring happens sometimes, suggesting that while the practice exists, it is not always consistent. Whereas fewer economies reported that monitoring happens always or very often showing that regular evaluations are not widespread. Overall, the findings suggest that implementation differs across APEC economies, showing room for improvement in making these processes more structured and consistent.

### iii. Barriers in Status Quo

Respondents generally concur that the adoption of agile regulatory governance has not been without its challenges. Both **Canada and Thailand** have highlighted operational struggles of ensuring regulations are regularly reviewed and impacts are accurately measured. Meanwhile, **Chinese Taipei and Malaysia** have expressed concern over difficulties in balancing innovation and risk management. In this regard, it must be emphasised that though agility is a necessary approach to bring about the benefits of innovation, such benefits should not come at the expense of the safety and interests of the average user.

Notwithstanding the above, the lack of a ‘whole-of-economy’ mindset towards implementing agile regulatory governance also serves as a common barrier amongst APEC economies. **Japan** has noted that the application of regulatory agility is limited to only related Ministries and government agencies, indicating that the approach has yet to enter the mainstream. Similarly, respondents from **Indonesia** noted that the approach has yet to be regarded as a necessary tool in public policy planning, which when coupled with a lack of an existing framework or policy results in the approach taking a back seat overall.

While operational and structural challenges do affect the overall effectiveness of agile regulatory governance, tackling the hesitance of embracing the approach should be at the forefront of APEC’s focus. Establishing greater familiarity and understanding towards the need for regulatory agility will encourage APEC economies to be more receptive towards future policy decisions. This is further supported by all respondents agreeing that the adoption of agile regulatory governance has much to offer to the respective economies.

## 5. Implementation Toolkit and Scorecard

### 5.1. Methodology of the Implementation Toolkit

As the second phase of the project, the Implementation Toolkit provides a structured guide for regulators to assess and strengthen their governance frameworks. Its development was based on the findings of the Background Paper, which identified baseline data, best practices and case studies on agile regulatory governance across APEC economies. In addition, a review of relevant publications and guidance documents on agile regulatory governance was undertaken to ensure alignment with internationally recognised approaches. These sources served as contextual insights, enabling the Implementation Toolkit to incorporate a scorecard as a diagnostic tool and to provide structured approaches and actionable recommendations that facilitate the integration of agile regulatory governance into diverse regulatory environments.

### 5.2. Overview of the Implementation Toolkit

The Implementation Toolkit is structured around the 3Ps framework, consisting of 3 strategic purposes, 3 core principles and 3 foundational practices.

The Implementation Toolkit not only discusses these principles and practices in a palatable and practical way, but also presents examples of best practices, step-by-step guidance and sample templates that can be adapted by regulators. It recognises the diverse starting points of APEC economies and supports both incremental reforms and overhaul transformations. The Implementation Toolkit is intended for regulators and can be used:



While the primary target audience of the Implementation Toolkit is meant for regulators within APEC economies, other relevant stakeholders are also encouraged to implement the applicable principles in their respective roles. While the term 'regulation' conventionally carries the connotation of public sector duties,

the underlying principles of being forward-thinking, adaptable and focused on outcomes are nevertheless invaluable for any organization.

### 5.3. 3Ps Framework

The 3 strategic purposes, core principles and foundational practices that make up the main components of the Implementation Toolkit are illustrated in the form of the 3Ps framework that regulators can readily equip in the regulatory process. The breakdown of the 3Ps framework are as follows:



## 5.4. Diagnostics Scorecard and its Application

The Implementation Toolkit provides a diagnostic scorecard for regulators to assess their organisations to identify strengths, gaps, and priority areas for reform in agile regulatory governance. The scorecard is not meant to be prescriptively applied rigidly but instead adapted to suit an economy's or organisation's context and needs.

### How to Use the Scorecard

1. Understand the indicators and their application and relevance to your organisation.
2. Understand how to use the scoring guide.
3. Assess your organisation's implementation performance.
4. Calculate your overall score.
5. Use the results guide to assess your level of implementation and determine improvement areas.

### Scoring Guide

Score	Level	Description
5	Fully Embedded and Reviewed	The principle or practice is fully embedded across the organisation, regularly monitored, evaluated and refined based on data, feedback or performance.
4	Institutionalized Practice	The principle or practice is broadly practiced across the organization and supported by clear structures.
3	Partial Implementation	The principle or practice is applied in some areas with basic systems or tools in place, but implementation is partial or lacks consistency.
2	Initial Awareness	The principle or practice is recognised and may be discussed internally, but there are no formal systems or consistent actions in place.
1	Not Yet Considered	No evidence that the principle or practice exists within the organization. No documented plans or efforts underway.

## Results Guide

Score Range	Level	Interpretation
<b>0% – 20%</b>	<b>Foundation Not Yet Established</b>	Agile regulatory governance is not yet systematically considered. The focus should be on building leadership awareness, initiating discussions and setting the foundation for agile approaches.
<b>21% – 40%</b>	<b>Laying the Groundwork</b>	Early understanding exists, but practices are informal or sporadic. Formal structures and capacity building are needed to move towards systematic adoption.
<b>41% – 60%</b>	<b>Progressing Towards Agility</b>	Some agile regulatory governance practices are applied, but application is uneven. The next steps should focus on strengthening consistency, deepening agile practices across all areas and enhancing organisational readiness for continuous adaptation.
<b>61% – 80%</b>	<b>Operationalising Agility</b>	Agile regulatory governance is becoming embedded in organisational processes. Principles and practices are applied with increasing consistency, but further efforts are needed to strengthen organisation-wide application and sustain continuous improvement.
<b>81% – 100%</b>	<b>Sustained and Strategic Agility</b>	Agile regulatory governance is deeply integrated and continuously evolving. The focus should now be on sustaining momentum, institutional learning and influencing broader policy or regional best practices.

Principle/ Practice	Weightage (%)	Indicators	Evidence & Remarks	Score (1–5)	Weighted Score
<b>Core Principles of Agile Regulatory Governance</b>					
<b>Anticipatory and Foresight- Driven Regulation</b>		Foresight tools such as but not limited to horizon scanning, scenario planning or technology assessments are used to anticipate emerging issues.		( /5)	
		There is a dedicated foresight unit or foresight is integrated systematically into policy or regulatory decision-making.		( /5)	
		Insights from foresight activities are actively used to shape regulatory or policy decisions.		( /5)	
		RIA is systematically conducted and used to inform regulatory decision-making.		( /5)	
<b>Iterative and Adaptive Regulation</b>		Regulations are regularly reviewed and updated (every 5 years or less).		( /5)	
		Regulatory proposals are tested through mechanisms such as pilots, sandboxes, phased implementation or other controlled or testing environments before being fully adopted.		( /5)	
		Testing or feedback processes designed are in collaboration with relevant stakeholders to ensure practical insights.		( /5)	
		Feedback received is systematically evaluated, considered and used to inform adjustments or amendments to regulation or policy.		( /5)	
<b>Outcome- Focused Regulation</b>		There are clearly defined and achievable outcomes for each policy or regulatory proposal.		( /5)	
		There are clear and measurable indicators to assess performance and whether the defined outcomes are being achieved.		( /5)	

		The defined outcomes are monitored periodically and systematically.		( /5)	
		Regulatory or policy approaches are adjusted based on performance data or outcome evaluations.		( /5)	
		Regulation or policy is designed with flexibility and outcome-orientation, avoiding overly prescriptive or detailed requirements where unnecessary.		( /5)	
Foundational Practices of Agile Regulatory Governance					
Comprehensive Public Consultation		All relevant and affected stakeholder groups are identified and mapped for each regulatory proposal.		( /5)	
		Regulatory information is made available to the public.		( /5)	
		RIA or other forms of impact assessments, or justifications are made accessible to the public alongside regulatory proposals.		( /5)	
		Stakeholder consultations are conducted regularly and tailored to the purpose, complexity and stage of the regulatory process.		( /5)	
		There are sufficient platforms or tools to collect feedback from all relevant and affected stakeholders.		( /5)	
		There are mechanisms in place to ensure feedback is reviewed and where appropriate, incorporated into policy or regulatory decisions.		( /5)	
Coherence and Integration		Regulatory or policy proposals are coordinated across regulators or levels of government to ensure internal consistency.		( /5)	
		Regulations are aligned or consistent with international standards or regional frameworks, where relevant.		( /5)	

		Digital systems are used to manage regulatory submissions, approvals and tracking, with accessible platforms for stakeholders		( /5)	
		There are efforts to identify and reduce duplicative, redundant or conflicting regulation or policy.		( /5)	
<b>Technology and Digital Infrastructure</b>		Digital tools, such as but not limited to consultation platforms, digital feedback mechanisms or others are used to support regulatory design, consultation and implementation.		( /5)	
		There is a centralised or integrated digital platform for managing regulatory submissions, licensing or compliance processes.		( /5)	
		Real-time or near real-time data systems such as but not limited to dashboards and analytics platforms are used to monitor regulatory performance or outcomes.		( /5)	
		Digital infrastructure is designed with cybersecurity, accessibility and user experience as core considerations.		( /5)	
<b>Total Score %</b>					

The comprehensive instructions, guides and scorecard above offers guiding indicators that facilitate self-assessment across differing regulatory frameworks. It is pertinent to note that while the indicators reflect widely recognised good practices, it is not meant to be prescriptively applied rigidly. It is meant to be used as a baseline that regulators can then adapt or take inspiration from, and even modify to suit their respective economy's context, mandate or organisational structure. In the drafting of the scorecard, it is acknowledged that not every indicator may be applicable with differences in relevancy and applicability based on the respective regulators' functions and strategic priorities.

## 6. Key Takeaways from the Virtual Capacity Building Session

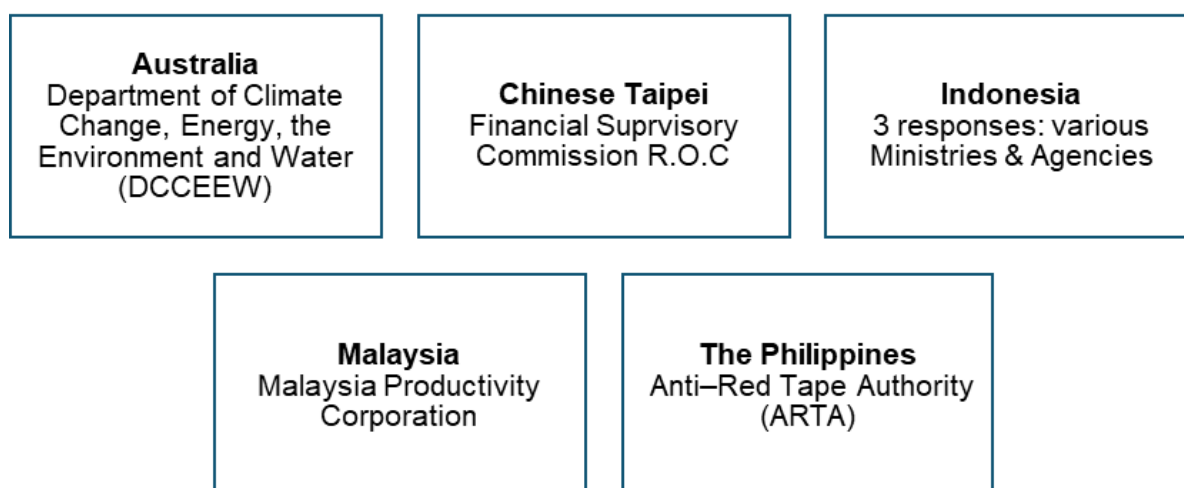
A virtual capacity building session was conducted on 12 June 2025, designed to equip regulators with the knowledge and skills necessary for implementing agile regulatory governance using the Implementation Toolkit. The session included an overview of the 3Ps framework, deep-dives into the principles and practices, interactive segments using the diagnostics scorecard and guiding appendices, as well as discussions on implementation challenges and promoting broader participation in regulation.

### 6.1. Methodology of the Evaluation Analysis Report

As part of the process of evaluating and upskilling regulator readiness for the adoption of agile regulatory governance, the virtual capacity building session invited the participants of the session to provide their input in APEC Project Evaluation Survey, with the aim of assessing the economies' understanding of agile regulatory principles, as well as the Project as a whole. The question areas and respondents to the survey are as follows:

Feedback on the session	Feedback on the trainers / experts of facilitators	Feedback on distributed materials	Relevance of the Project to the member economy
Evaluation of the Projects' results / achievements	Level of skill / knowledge of the topic before the event	Level of skill / knowledge of the topics after the event	Main takeaways from the Project's content
	Suggestions for APEC'S next steps	Suggestions for any areas of improvement for the session	

9 responses were received from a total of 5 APEC economies. The details of the respondents are as follows:



It is important to note that while APEC consists of 21 member economies, the survey findings and the Evaluation Analysis Report is generally based on the input provided by the 5 economies that responded to the survey. The information presented reflects the responses as provided by the respective participants and while every effort has been made to accurately represent their submissions, analysis on the feedback in this Evaluation Analysis Report does not independently verify the factual accuracy of the information received.

## **6.2. Key Feedback received from the Virtual Capacity Building Session**

On the outset, agile regulatory governance was not a foreign concept to the participants. Based on responses received, most responding economies had expressed familiarity with the principles and were able to effectively engage with the session.

In relation to the formative and structural elements of the session, participants are overall satisfied with how the session objectives were structured, how the Project content was presented, and how well the topics and items were covered. The majority strongly agreed that the trainers/experts or facilitators were well-prepared and/or knowledgeable about the topics that were raised and discussed during the session, and that the distributed materials were useful for the purposes of the session.

However, some participants viewed that the experiences of men and women were not sufficiently addressed during the session. This feedback highlights an opportunity for economies' consideration, as applicable.

In terms of the Project's relevance to the economy, it was the consensus of most participants that the Project was very, or at the very least, mostly relevant to the respective economies given the vast spectrum of the regulatory roles of the participants of the session.

When prompted in a question as to what the participants' views on the project's results and/or achievements were, the responses received include the

development of resources, and the promotion of an understanding of how to formulate and implement agile regulatory governance principles and frameworks. Favourably, these responses reflect a good understanding of the project, and APEC's overarching goals.

As for what new skills and knowledge were gained from the event, respondents answered that it helped them to gain ideas to improve their practices, the practical methods of stakeholder mapping and horizon scanning, and an overall greater understanding of agile regulatory strategies to overcome the challenges in implementation.

A comparative review of the participants' perceived level of knowledge and skills in relation to the topic shows that the overall knowledge and confidence of the respondents have increased subsequent to their participation in the event. Respondents who have previously understood the principles of agile regulatory governance now report greater confidence in their knowledge, whereby those who have previously indicated a low understanding had shifted their response to a greater level of understanding. The participants' renewed levels of knowledge and skill are reflected in their participation in the interactive quiz on agile regulatory governance, whereby all, if not most participants were able to identify the correct answers.

With regards to the participants' potential applications of the Project's content and knowledge gained to their respective workplaces, examples by the respondents include incorporation into plans and strategies, the introduction of agile regulatory governance into their organization's public consultation platforms and the development of new initiatives in Indonesia's regulatory reform regime. The provided examples are all fruitful ventures that exemplify core agile regulatory governance practices and or methods, and we welcome the development of these initiatives.

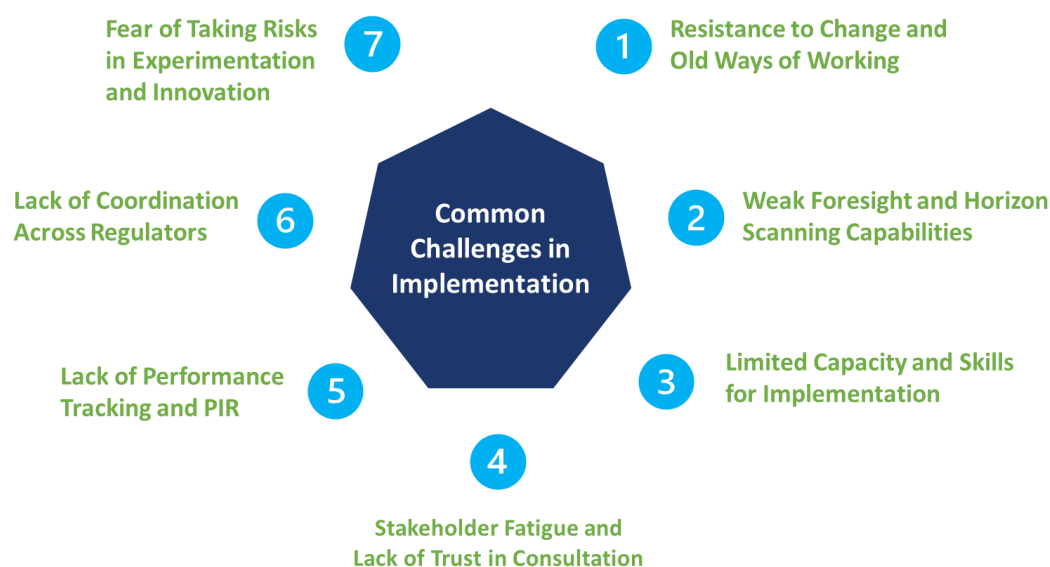
Moreover, when asked what needed to be done next by APEC, the respondents had a general consensus that more discussions and workshops were needed to facilitate and disseminate the best practices and principles of agile regulatory governance. These sentiments reflect the current much needed efforts by APEC given the relative infancy of agile regulatory governance as a concept in some economies. It was also put forth that a statement of commitment to promote agile regulatory governance should be issued, to be accompanied by regular information sharing among economies.

Lastly, when asked how the Project and/or the session could be improved, respondents again had a general agreement that the interactive sessions were enjoyable and to have more of these types of sessions, and on a differing note, that the session should be held offline. This is an understandable sentiment given the time zone differences amongst all of the member economies that may make accommodating every participant a logistical difficulty for holistic participation.

## 7. Common Challenges and Future Priorities for Agile Governance

### 7.1. Identified Challenges in Implementation

In the process of implementing agile regulatory governance, economies have often faced common challenges arising from a range of factors, from cultural resistance to operational and technical limitations. These common challenges were identified through survey input and findings from the Background Paper, and the Implementation Toolkit reflects both the challenges and the corresponding strategies to address them.



#### i. Resistance to Change and Old Ways of Working

In many economies, the regulatory environment does not allow for flexibility in policy making and enforcement, and Governments are bound by time-consuming processes that cannot keep up with technological development. Many regulators are structured around rigid, risk-averse processes that prioritise stability and control. These old ways of working can hinder the flexibility, cross-sectoral collaboration and responsiveness that agile regulation demands. Regulators may consider strategies such as identifying internal champions who can navigate institutional norms while pushing for agility, launching limited-scope pilot projects to demonstrate value without triggering institutional resistance, and using phased implementation to allow gradual adaptation while preserving control.

#### ii. Weak Foresight and Horizon Scanning Capabilities

Despite increasing recognition of its value, foresight activities remain poorly integrated into regulatory governance systems. Regulators often lack embedded foresight mechanisms that allow them to anticipate disruption, and even where foresight tools exist, they may not be institutionally connected to decision-making. Regulators may consider strategies such as starting with simple horizon scanning exercises using publicly available sources to build familiarity internally before

investing in formal tools or training, integrating foresight into existing planning processes such as strategic reviews or regulatory roadmaps to normalise its use without requiring major reform, and collaborating with external foresight organisations such as think tanks or academia to draw on external capacity before attempting to build internal capabilities from scratch.

### **iii. Limited Capacity, Skills and Resources**

Regulators require capacity building to deploy agile approaches and ensure that organisations have the necessary digital literacy. The effective use of regulatory sandboxes, policy labs and adaptive frameworks requires regulators to be fluent in new skills such as data interpretation, user-centred design, behavioural insights and digital platforms. However, in many economies, these skills are lacking due to limited access to training opportunities, overstretched human resources and constrained budgets. A lack of resources may prevent organisations from investing in tools, upskilling staff, or dedicating time to agile approaches and collaboration. Regulators may consider strategies such as starting with practical exposure by involving staff in pilot projects or small-scale regulatory experiments, offering short, topic-specific training sessions linked to actual regulatory tasks or tools present in the organisation, or developing simple internal guides that explain core agile concepts in plain language before moving to formal programmes.

### **iv. Stakeholder Fatigue and Lack of Trust in Consultation**

Agile regulatory governance requires iterative and meaningful engagement with stakeholders. However, repeated consultations without visible impact or follow-up can lead to disengagement and scepticism. More meaningful consultation and stakeholder engagement can be enabled by more transparent processes to demonstrate that comments are considered. Regulators may consider strategies such as sharing consultation outcomes clearly, for example through publishing summaries that show how feedback influenced decisions, spacing out engagements to avoid overloading the same stakeholder groups prior to adjustments or changes made from the previous engagement, and choosing the right format for each audience. They may also consider following up with participants after consultation to close the loop and maintain engagement over time.

## **v. Lack of Performance Tracking and Post-Implementation Review**

Agility requires the ability to monitor, evaluate and revise policies in real time. However, few regulators implement structured post-implementation reviews (PIR) or maintain performance dashboards. Regulators may consider strategies such as starting with simple post-implementation reviews focused on whether outcomes match intentions, even if these are informal, using phased implementation to test policies in stages and gather feedback progressively, and setting up basic tracking tools such as spreadsheets or simple dashboards to monitor key indicators regularly. They may also encourage teams to reflect on lessons learned and apply them to future regulatory design.

## **vi. Lack of Coordination Across Regulators**

Agile regulatory reforms often require multiple regulators to be aligned with each other. However, overlapping mandates, unclear jurisdictions and disconnected digital systems make coordination difficult. Whole-of-government approaches require not just shared goals but also aligned systems and compatible digital infrastructure. Regulators may consider strategies such as starting with joint planning sessions or shared timelines to align regulatory efforts across agencies, using common digital tools to coordinate submissions, reviews or compliance processes, and establishing clear lead regulators or focal points to avoid duplication and confusion. They may also formalise coordination through working groups or inter-regulator committees with defined responsibilities to enhance collaboration and coherence.

## **vii. Fear of Taking Risks in Experimentation and Innovation**

Even where regulatory sandboxes and pilots are permitted, many regulators remain reluctant to experiment due to fear of reputational risk or uncertainty about legal authority. Regulators often fear that failures within sandboxes will reflect poorly on them, rather than being seen as part of a learning model. Regulators may consider strategies such as framing pilots and sandboxes clearly as learning exercises rather than final solutions, seeking legal or policy clarity early through MOUs, internal guidance or Cabinet backing, and starting small to reduce risk and generate quick wins that build momentum. They may also consider sharing lessons openly, including what did not work, to normalise experimentation and foster a culture of innovation.

## **7.2. Strategic Future Priorities for Agile Governance**

In the implementation process of agile regulatory governance, it stands to reason that a period of time is necessary before it can be fully integrated and accepted by sectors or government agencies across the board. A gradual adoption is likely preferable, which leads to the question of which particular areas of industries should be targeted or prioritised for the future implementation of agile governance.

On this matter, the APEC economies have, according to the survey, differing preferences for their areas of priority depending on their respective domestic trends and needs. There is some consensus on the degree of importance conferred to technology-driven sectors such as Artificial Intelligence and Blockchain. This is a

sensible development given that it is a high-growth field with the most rapid changes and innovation. Alternative areas of paramount consideration include the public service sectors such as health and education as targeted by Indonesia and Malaysia, and the MSME sector prioritised by Chinese Taipei due to MSMEs accounting for over 98% of their businesses. There is no one-size-fits-all approach when it comes to prioritising sectors for implementing agile governance. Each economy within APEC has its unique socio-economic, technological and industrial landscapes that shape its regulatory needs.

Beyond the survey findings, however, future priorities for agile regulatory governance may also extend to institutional and systemic dimensions. Economies will need to prioritise strengthening regulatory capabilities and skills, ensuring that regulators have the digital literacy, foresight capacity and adaptive mindset necessary to sustain agile practices. This includes not only upskilling individuals but also embedding agile approaches into organisational cultures and decision-making structures.

Another priority is building coherence and coordination across agencies and jurisdictions. Fragmentation and overlapping mandates often slow down reform; prioritising inter-agency collaboration, common digital systems and alignment with international best practices will be critical for making agility practical at scale.

In addition, economies may prioritise performance and accountability mechanisms. Agile governance is only meaningful if supported by post-implementation reviews, monitoring dashboards and outcome-based evaluation. Embedding these feedback loops ensures that agility does not compromise oversight or trust.

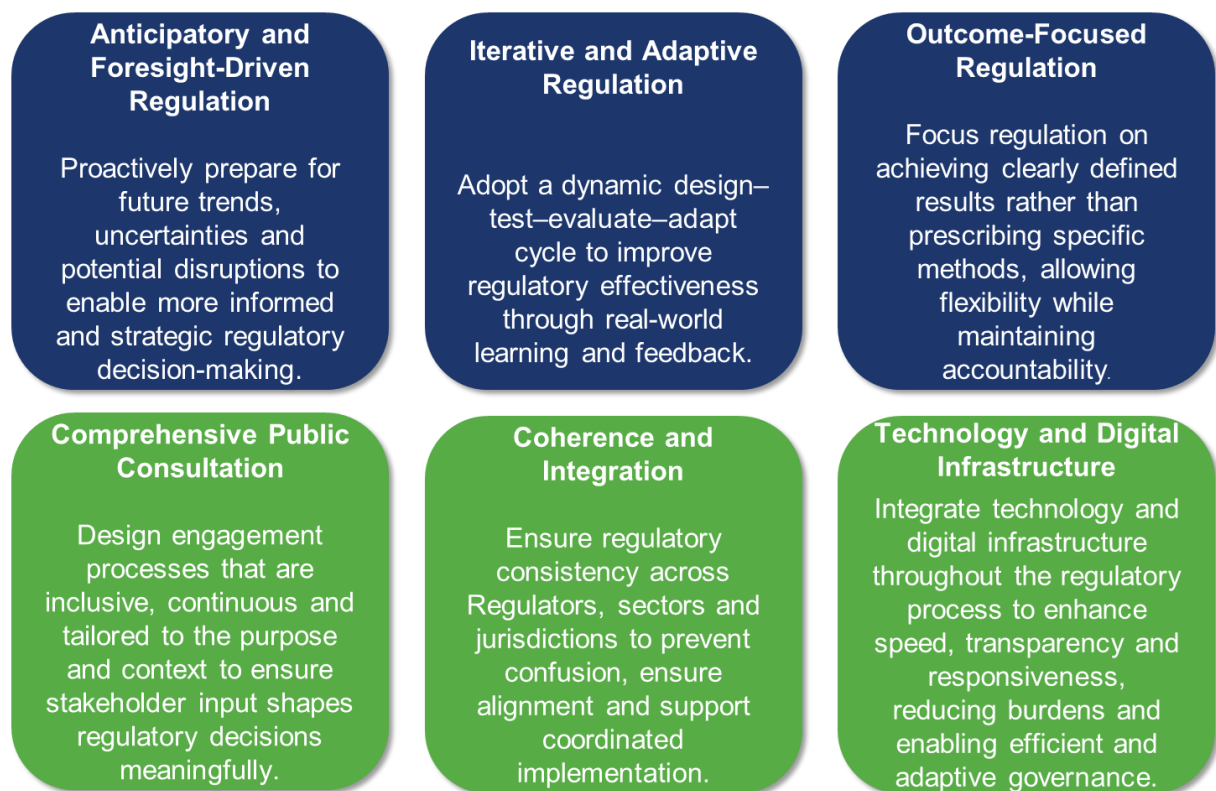
Finally, there is the broader priority of institutionalising agility as a permanent feature of governance rather than as a series of ad hoc pilots. This means formalising agile principles in policy directives, guidance documents and regulatory frameworks so that adaptability becomes a default expectation rather than an experimental exception. In sum, while sectoral choices will continue to differ across APEC, the shared future priority lies in strengthening the foundations of governance itself.

## **8. Practical Actions for Implementation**

### **8.1. Actionable Steps for Regulators**

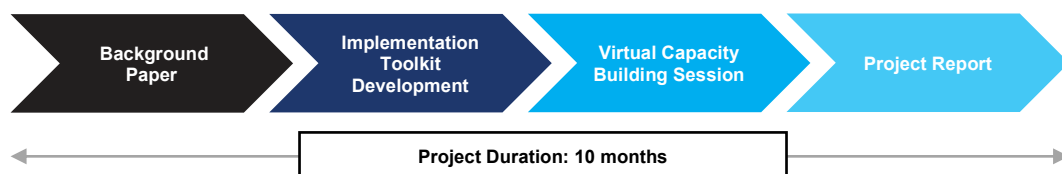
When envisioning the implementation of agile regulatory governance into the regulatory system, regulators may begin by conducting a diagnostic assessment of their current regulatory frameworks using tools such as the scorecard as part of the Implementation Toolkit to identify strengths, gaps, and priority areas for reform. This should be followed by the phased adoption of agile approaches and tools where appropriate and relevant before full rollout.

In either filling in the gaps or strengthening the existing regulatory tools in place, guidance may be sought from the core principles and foundational practices prescribed by the Implementation Toolkit as well as the examples of case studies that exemplify agile regulatory governance principles.



## 9. Conclusion

This Project was designed to deepen the understanding and practical application of agile regulatory governance across APEC economies. It brought together research, survey insights as well as lessons from the capacity-building session to develop a workable Implementation Toolkit with guidance and assessment tools that support regulators in embedding agile regulatory governance within their organisations and economies. This report consolidates the key highlights of the Project throughout its phases.



## **Background Paper**

The Background Paper provided baseline information by providing insights into current key trends, common challenges and best practices of agile regulatory governance among APEC economies. The survey conducted captured economy-specific perspectives and priorities, highlighting both shared concerns and areas of divergence. These findings informed the development of the Implementation Toolkit, which is designed to guide regulators in the practical and accessible adoption of agile regulatory governance.

## **Implementation Toolkit and Scorecard**

Building on this foundation, the Implementation Toolkit translated concepts into a practical, accessible format designed to support regulators in applying agile regulatory governance in day-to-day practice. The Implementation Toolkit is accompanied by a scorecard that enables economies to assess their current regulatory readiness, benchmark progress, and identify gaps. Together, these instruments provide not only knowledge but also actionable steps, bridging the divide between theory and implementation.

## **Key Takeaways from the Virtual Capacity Building Session**

The virtual capacity building session convened regulators and experts to discuss agile regulatory governance in practice, diving into agile principles and approaches guide participants on using the Implementation Toolkit. Participants also exchanged lessons on current practices as well as challenges faced in implementing agile regulatory governance. The input received from economies during and after the session helped refine and improve the Implementation Toolkit.

## **Common Challenges and Future Priorities for Agile Governance**

The transition to agile regulatory governance is not without obstacles. The Project identified recurring challenges such as limited institutional readiness, capacity constraints, and the difficulty of balancing innovation with accountability and trust. While survey responses revealed varied sectoral priorities, the analysis points more broadly to future priorities among others, such as strengthening cross-border cooperation, increasing capacity and skill for implementation and formally embedding agile approaches in regulatory institutions.

## **Practical Actions for Implementation**

Finally, the report underscores that the practical actions for implementation are anchored in the Implementation Toolkit itself. Economies are encouraged to adopt and adapt the Implementation Toolkit as an easy guide. Together, the outputs from this Project provide economies with a reference point and a practical resource they can draw on when strengthening their own regulatory frameworks.