

## Policy Brief

# Good Regulatory Practice (GRP) in ASEAN – Towards Vision 2045 and Beyond

### Key Messages:

- As ASEAN strives towards Vision 2045, it must evaluate and build on its progress in achieving Regulatory Excellence to shape a competitive, innovative, and dynamic regional future.
- Regulatory Excellence calls for a harmonised yet agile regulatory framework that effectively supports regional trade and cooperation.
- The forthcoming ASEAN Community Vision 2045 and ASEAN Connectivity Strategic Plan 2026–2030 should emphasise the critical role of Regulatory Excellence – especially through the adoption of Good Regulatory Practice (GRP) – as a cornerstone for future growth.
- GRP should be embedded within ASEAN's policymaking institutions and used as a tool to foster private and international collaboration, as well as to develop robust regulatory frameworks for emerging and strategic growth sectors.
- Ultimately, ASEAN must take proactive steps to ensure that its regulatory regime evolves in step with its rapid economic development, thereby securing its status as a leading regional economic force.

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*In realising a resilient, innovative, dynamic, and people-centred ASEAN by 2045, the region must be guided by the Core Elements of the ASEAN Community's Post-2025 Vision – endorsed at the 42nd ASEAN Summit in Labuan Bajo, Indonesia. To this end, ASEAN has adopted a strategic plan known as 'Vision 2045,' which outlines its transformation into a globally influential, interconnected, and prosperous region. Vision 2045 expands upon the current ASEAN Community Vision 2025 by addressing contemporary challenges such as digital transformation, environmental sustainability, and socio-economic inequities.*

*This Policy Brief examines the requirements for the next phase of ASEAN's evolution. Their focus is on ensuring that the ASEAN Community Vision 2045 and the ASEAN Connectivity Strategic Plan 2026–2030 are achieved, particularly through the integration of Good Regulatory Practice (GRP).*

### **Regulatory Excellence under the Master Plan on ASEAN Connectivity 2025 (MPAC 2025)**

With Malaysia now assuming the ASEAN Chairmanship, it is timely to review the initiatives set to conclude in 2025, including the Master Plan on ASEAN Connectivity 2025 (MPAC 2025). Adopted by ASEAN Leaders at the 28th and 29th ASEAN Summits in Vientiane, Lao PDR, in September 2016, MPAC 2025 aims to create a seamlessly connected and integrated ASEAN that promotes competitiveness, inclusiveness, and a strong sense of community.

The MPAC 2025 focuses on five strategic areas:

- Sustainable Infrastructure
- Digital Innovation
- Seamless Logistics
- Regulatory Excellence
- People Mobility

Regulatory Excellence aims to harmonise or mutually recognise standards, conformance procedures, and technical regulations in key sectors to facilitate seamless trade and investment flows. A central priority is the reduction of trade-distorting non-tariff measures (NTMs) across ASEAN Member States. To this end, MPAC 2025 targets the full harmonisation of standards, mutual recognition of technical regulations, and the reduction of NTMs through greater transparency and more robust evaluation mechanisms.

#### *Progress and Achievements*

As of 2025, ASEAN has made many significant progress in advancing Good Regulatory Practice (GRP) across ASEAN. Key milestones include:

- 2018: Launch of the ASEAN GRP Core Principles
- 2019: Development of the ASEAN Guidelines on GRP and the AMS Baseline Study on Regulatory Management Systems (RMS) in collaboration with ERIA

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- 2022: Completion of Priority Area 2 with the launch of the ASEAN Handbook on GRP
- 2024: Completion of Priority Areas 3 and 4, marked by:
  - The Multi-Country Pilot Project on EV and the Battery Industry (Indonesia, Lao PDR, Malaysia)
  - Capacity-building initiatives in Cambodia

The AMS Baseline Study on RMS was instrumental in reinforcing strategic GRP implementation. It highlighted that the effectiveness of the GRP Core Principles is closely linked to the quality of each country's overall RMS. While substantial progress has been achieved, the key question remains: how can ASEAN accelerate and scale up GRP advancements over the next 20 years?

### Mid-term Review of the MPAC 2025

As we look ahead to the preparation of the ASEAN Community Vision 2045 and the ASEAN Connectivity Strategic Plan 2026–2030, it is essential to reflect on key lessons learned from the Master Plan on ASEAN Connectivity (MPAC) 2025. The Mid-Term Review of MPAC 2025 assessed progress under the Regulatory Excellence strategic area, focusing on two key objectives:

1. Harmonising standards, conformance, and technical regulations
2. Reducing non-tariff measures (NTMs)

Overall, these objectives have performed reasonably well, with three key observations:

- Strengthening in-country implementation: ASEAN Member States must enhance national-level implementation of action plans to ensure effectiveness.
- Coordinating connectivity efforts and engaging ASEAN partners: A more structured approach is needed to involve ASEAN Member States in projects that advance regional interests.
- Deepening private sector engagement: Expanding policy development efforts to include industry experts and stakeholders is crucial for ensuring regulatory coherence and effectiveness.

These insights will be valuable in shaping ASEAN's future connectivity strategies and enhancing regional integration.

### Future Proofing Towards 2045

Building on past achievements, the ASEAN Connectivity Strategic Plan (ACSP) 2026–2030, which will succeed MPAC 2025, is a key post-2025 document in realising ASEAN Vision 2045. The new ACSP will encompass six strategic areas, retaining the five from MPAC 2025 while introducing smart and sustainable urban development as an additional focus.

Importantly, Regulatory Excellence will remain a priority, with an expanded scope emphasising co-operation. Good Regulatory Practice (GRP) is increasingly recognised as a fundamental driver for achieving Vision 2045. In today's regulatory landscape, it is insufficient for GRP principles to simply resonate informally within existing regulatory ecosystems. Instead, these principles must be institutionalised, refined, and systematically monitored to ensure sustainable implementation.

Key considerations for strengthening GRP in ACSP 2026–2030 include:

### 1. Institutionalising GRP

Countries with low GRP adoption often struggle to scale up their regulatory frameworks due to the absence of dedicated Regulatory Oversight Bodies (ROBs). The ASEAN Handbook on GRP has identified at least one formal, government-endorsed entity responsible for GRP in each ASEAN country. However, there is wide variation in the capacity and competency of these bodies.

While political commitments to GRP have been secured, implementation remains inconsistent across ASEAN Member States due to several factors:

- Variability in national GRP frameworks
- Cultural and linguistic barriers
- Limited awareness amongst regulatory coordinators

An anonymous survey conducted during the Mid-Term Review of MPAC 2025 revealed that only 60% of respondents had a clear understanding of their role in implementing GRP strategies. At one point, there was a proposal for the ASEAN Secretariat to act as a 'supra ROB' – coordinating national-level GRP implementation. However, this faced challenges due to ASEAN's emphasis on national autonomy. As a result, despite ongoing reform initiatives and the presence of ROBs, effective national-level adoption and application of GRP remains a challenge across the region.

### 2. Strengthening Policies, Processes, and Systems

Another key driver of GRP implementation is the policy, process, and regulatory system landscape at the national level. ASEAN has introduced various GRP-related policies and frameworks, such as:

- AEC Blueprint 2025
- ASEAN Handbook on Good Regulatory Practice
- ASEAN GRP Core Principles

Some countries, such as Malaysia, have effectively mirrored ASEAN's GRP initiatives with national policies, including:

- Chief Secretary's General Circular No.1/2021 on the National Policy on GRP
- National Policy on Good Regulatory Practice Handbook
- Best Practice Regulation Handbook 2.0

However, the Mid-Term Review of MPAC 2025 highlighted a key challenge: ASEAN guidelines are non-binding, leading to fragmented adoption across Member States. This results in:

- Inconsistent interpretation and application of GRP principles
- Lack of government support and political buy-in
- Regulatory institutions working in isolation

Without a coordinated effort to align GRP policies, ASEAN risks widening the regulatory gap between Member States. Stronger co-ordination is needed to tailor GRP frameworks to the specific economic, legal, and administrative contexts of each country.

### 3. Enhancing Public–Private Partnership

Traditionally, GRP has been government-centric, but private sector engagement is increasingly recognised as critical. Involving industry stakeholders can:

- Improve policymaking by providing real-world insights
- Enhance transparency and regulatory coherence
- Mitigate unintended economic consequences of policy changes

Recent years have seen greater private sector interest in GRP, particularly amongst multinational corporations (MNCs), which:

- Have experience navigating regulatory systems in multiple jurisdictions
- Can provide valuable data on global regulatory best practices
- Contribute to benchmarking efforts for ASEAN's regulatory frameworks

However, concerns about regulatory capture – where private-sector influence skews policies towards corporate interests – must be carefully managed. Balanced engagement is essential to ensuring that policies serve the public interest while benefiting from industry expertise.

### 4. Advancing International Regulatory Co-operation (IRC)

Even if policy harmonisation and regulatory reform remain slow within ASEAN Member States, international trade will drive regulatory change. For example, ASEAN countries have recently pursued OECD membership, with:

- Indonesia applying on 20 February 2024
- Thailand applying on 18 June 2024.

The OECD membership will bridge gaps between ASEAN and global regulatory standards, compelling domestic regulatory frameworks to align with international best practices. Additionally, ASEAN's bilateral and multilateral trade agreements increasingly emphasise regulatory coherence. For instance:

- Regional Comprehensive Economy Partnership (RCEP) embeds GRP principles
- Comprehensive Partnership Trans-Pacific Partnership (CPTPP) outlines GRP implementation mechanisms.

Trade liberalisation and facilitation will thus become a major catalyst for regulatory reform, pushing ASEAN Member States to modernise and align their regulatory frameworks with international standards.

### 5. Mainstreaming GRP

For GRP to be truly effective, it must be integrated across all levels of policy and regulatory development, rather than being confined to select strategic sectors. This calls for a shift in regulatory mindset from:

'Regulate and forget' → 'Adapt and learn'

The Mid-Term Review of the AEC Blueprint 2025 specifically recommended the mainstreaming of GRP. However, under MPAC 2025, Regulatory Excellence was largely limited to:

- Harmonisation of standards and technical regulations

- Reduction of NTMs

Looking ahead, GRP must become a natural component of decision-making, encouraging policymakers to:

- Embrace change and innovation rather than resist it
- View regulatory challenges as opportunities instead of threats
- Foster agile regulatory responses that keep pace with technological advancements and evolving market trends

Regulatory agility does not merely ask, 'How should we regulate disruptions?' Instead, it asks:

- 'Can industry-led governance help regulate emerging technologies?'
- 'How can cross-border collaboration drive innovation-friendly regulations?'

By embedding GRP at all levels, ASEAN can future-proof its regulatory frameworks, ensuring that policymaking remains proactive, adaptive, and responsive to the challenges of the next 2 decades.

### Multi-Country Pilot Project on Electric Vehicles (EV) and the Battery Industry

In 2023, the ASEAN Secretariat launched a Multi-Country Pilot Project on the EV and Battery Industry, involving Indonesia (ASEAN Chair, 2023), Lao PDR (ASEAN Chair, 2024), and Malaysia (ASEAN Chair, 2025). The project aimed to demonstrate the practical application of Good Regulatory Practice (GRP) in facilitating regulatory reform in strategic sectors.

#### Key Takeaways

##### 1. Relevance of Strategic Sectors

The ASEAN EV market is projected to grow from US\$1.51 billion in 2025 to US\$6.23 billion by 2030. This underscores the need for GRP-driven regulatory reform to address contemporary and complex challenges involving diverse stakeholders.

Similarly, GRP can be applied to other fast-evolving sectors, such as digitalisation and emerging technologies, where regulatory frameworks often struggle to keep pace with rapid advancements.

##### 2. Catalyst for Reform

GRP tools help develop fit-for-purpose regulatory frameworks, regardless of the starting point in different ASEAN Member States. The pilot project findings revealed that EV regulations vary significantly across participating countries. However, by applying GRP tools, countries can:

- Identify gaps and inconsistencies
- Implement targeted interventions
- Streamline regulations to support industry growth

This demonstrates that GRP enables regulatory transformation, even in economies at different stages of development.

### 3. Strengthening Regional Collaboration

Throughout the pilot project, ASEAN Member States expressed a strong interest in learning from each other's best practices. This collaborative approach fosters:

- Policy adaptation and alignment at the national level
- The emergence of common ASEAN-wide regulatory standards
- A platform for data sharing to enhance domestic policy reforms

Such 'healthy competition' and collective efforts accelerate regulatory development, reinforcing ASEAN's goal of a more integrated and harmonised regulatory environment.

### The Way Forward

As ASEAN progresses towards Vision 2045, GRP will play a pivotal role in ensuring regulatory excellence across the region. To leapfrog towards a future-ready regulatory landscape, bolder initiatives are needed under Regulatory Excellence. Despite challenges such as fragmented regulatory frameworks and varying levels of GRP adoption across ASEAN Member States, the path forward lies in:

- Strengthening political commitment to GRP adoption
- Enhancing cross-border regulatory collaboration
- Embedding GRP in all AEC pillar workstreams

A unified approach is necessary to achieve a long-envisioned harmonised regional regulatory framework, ensuring that ASEAN remains globally competitive amid technological advancements and economic globalisation.

Ultimately, ASEAN must embrace the mindset shift required for GRP adoption. If the region aspires to become a global economic centre, it is time to fully integrate GRP principles into its regulatory DNA.

### Policy Recommendations

As ASEAN prepares for the ASEAN Connectivity Strategic Plan 2026 – 2030, GRP must evolve to address emerging challenges. Key areas of focus include:

#### 1. Institutionalising GRP:

- Establish or strengthen Regulatory Oversight Bodies (ROBs) within ASEAN Member States.
- Consider a 'supra ROB' under the ASEAN Secretariat to coordinate national implementation, while respecting each member state's autonomy.

#### 2. Enhancing Policies, Processes, and Systems:

- Standardise GRP-related policies and procedures

across member states.

- Undertake regular reviews and updates of regulatory frameworks, ensuring alignment with international standards.

#### 3. Fostering Public–Private Partnerships:

- Engage private sector stakeholders to provide international benchmarking and best practices.
- Balance the risk of regulatory capture by ensuring transparent and inclusive consultations.

#### 4. Strengthening International Regulatory Cooperation (IRC):

- Leverage bilateral and multilateral agreements (e.g., RCEP, CPTPP) to harmonise regulatory standards.
- Use international forums to drive regulatory reforms that meet global standards.

#### 5. Mainstreaming GRP Across All Policy Streams:

- Integrate GRP principles into every stage of policymaking, moving from a reactive to a proactive regulatory approach.
- Promote an agile regulatory mindset that embraces change and innovation.

#### 6. Establish a Regional GRP Forum:

- Create a platform for regular dialogue amongst regulators, industry representatives, and experts to share best practices and address common challenges

#### 7. Implement Pilot Projects in Strategic Sectors:

- Launch pilot initiatives in sectors such as electric vehicles and digital technology to test and refine GRP tools, using the outcomes to inform broader regulatory reforms

#### 8. Develop a GRP Performance Dashboard:

- Monitor GRP implementation using key performance indicators, ensuring accountability and continuous improvement in regulatory practices.

As ASEAN advances towards Vision 2045, embedding Good Regulatory Practice in every facet of policymaking is essential. A unified and agile regulatory framework will not only facilitate regional integration and innovation but also position ASEAN as a global leader in sustainable economic growth. By adopting these recommendations, ASEAN Member States can build a robust, responsive regulatory ecosystem that supports the region's long-term prosperity.

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