



Iceland

Indicators of Regulatory Policy and Governance 2021





Overview and recent developments

Iceland has significantly improved its consultation system over the past years. It launched a new centralised consultation website for all ministries in February 2018. The website provides users with an overview of the lifecycle of the regulatory change, including access to the preliminary RIA and draft legislative text, details of the final regulatory decision, and a summary explaining how the comments impacted the proposal. The government encourages the participation of citizens through social media for some consultations; also, the public can subscribe to website and e-mail alerts for all consultations. It is generally noted in explanatory notes to draft laws which stakeholders were notified. Internal guidance developed by the Prime Minister's Office has been updated in 2020 to give further step-by-step instructions on aspects of consultation. These reforms seem to have facilitated easier consultation and improved transparency, with online consultation now being carried out for all primary laws at both early- and late-stages; however, the reforms have not been extended to subordinate regulations.

Iceland's RIA and *ex post* evaluation system have remained largely static since 2018. RIA is required for all primary laws as well as some subordinate regulations, and are posted on the consultation platform. A wide range of impacts are considered, though only impacts on the budget and public sector are required for all primary laws and major subordinate regulations. Other impacts, such as on competition, trade, small businesses, specific regions or groups, gender equality, environment, and other socio-economic variables, are only considered

for some primary laws and not for subordinate regulations. *Ex post* evaluation continues to be non-mandatory, but is used periodically for some primary laws and subordinate regulations.

The core responsibility for regulatory oversight lies with the Department of Legislative Affairs (DLA) within the Prime Minister's Office, which is a cabinet-level body responsible for improving and advocating for good regulatory practices across government. It also oversees stakeholder engagement, evaluates regulatory policy, provides guidance and training for the use of regulatory management tools, and scrutinises the legal quality of new legislation. The Department of Public Finances (DPF) in the Ministry of Finance and Economic Affairs is responsible for overseeing RIA, specifically concerning impacts on public finances and the economy, and developing guidance materials for RIA. The DPF also reviews RIAs on gender equality.

In continuing to iterate its reforms, Iceland may want to improve its regulatory management system for subordinate regulations as they have focused mostly on reforms to primary laws. A starting point could be to extend some of the positive changes made for consultations more systematically to subordinate regulations, where relevant. Attention could also shift to improving aspects of *ex ante* and *ex post* evaluation, including extending RIA requirements to all subordinate regulations and including more systematically a diverse range of impact categories, as well as making more systemic use of *ex post* reviews.

Indicators of Regulatory Policy and Governance (iREG): Iceland, 2021

● Methodology
 ● Systematic adoption
 ● Transparency
 ● Oversight and quality control
 ■ Country total, 2018
 — OECD average, 2021



Notes: The more regulatory practices as advocated in the [OECD Recommendation on Regulatory Policy and Governance](#) a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (81% of all primary laws in Iceland).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

Iceland: Transparency throughout the policy cycle



Inform the public in advance that:

A public consultation is planned to take place	Never
Regulatory impact assessment (RIA) is due to take place	Yes
Ex post evaluations are planned to take place	Never



Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	All



Publish online:

Ongoing consultations*	All
Views of participants in the consultation process	Yes
RIAs	All
Evaluations of existing regulations	No



Policy makers use:

Interactive website(s) to consult with stakeholders	Yes
Website(s) for the public to make recommendations on existing regulations	No



Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in ex post evaluations	Never

* Publish on a single central government website.

Note: The data reflects Iceland's practices regarding primary laws initiated by the executive.

Source: Indicators of Regulatory Policy and Governance Survey 2021, <http://oe.cd/ireg>.

