



Regulatory Reform (Scotland) Act 2014

2014 asp 3

PART 1

REGULATORY FUNCTIONS

Exercise of regulatory functions: economic duty and code of practice

4 Regulators' duty in respect of sustainable economic growth

- (1) In exercising its regulatory functions, each regulator must contribute to achieving sustainable economic growth, except to the extent that it would be inconsistent with the exercise of those functions to do so.
- (2) The Scottish Ministers may give guidance to regulators with respect to the carrying out of the duty imposed by subsection (1).
- (3) Regulators must have regard to guidance given under subsection (2).
- (4) The Scottish Ministers must publish (in such manner as they consider appropriate) any such guidance.
- (5) Subsection (1) does not apply to a regulator to the extent that the regulator is, by or under an enactment, already subject to a duty to the same effect as that mentioned in that subsection.

5 Code of practice

- (1) The Scottish Ministers may issue and from time to time revise a code of practice in relation to the exercise of regulatory functions by a regulator.
- (2) The Scottish Ministers must publish (in such manner as they consider appropriate) any code of practice issued under subsection (1).
- (3) A code of practice issued under subsection (1) applies only to—
 - (a) such regulators as may be specified in the code, and
 - (b) such regulatory functions as may be so specified.

- (4) A copy of a code of practice issued under subsection (1) must be issued to the regulators to whom it applies.
- (5) A regulator to whom a code of practice issued under subsection (1) applies must, from the date a copy is issued to the regulator, have regard to the code—
 - (a) in determining any general policy or principles by reference to which the regulator exercises any regulatory functions to which the code applies, and
 - (b) in exercising any such regulatory functions.
- (6) References in this section to a code of practice issued under subsection (1) include references to such a code as revised from time to time under that subsection.

6 Code of practice: procedure

- (1) Where the Scottish Ministers propose to issue or revise a code of practice under section 5, they must prepare a draft of the code (or revised code).
- (2) In preparing the draft, the Scottish Ministers must seek to secure that it is consistent with the principles in subsection (3).
- (3) The principles are—
 - (a) that regulatory functions should be—
 - (i) exercised in a way that is transparent, accountable, proportionate and consistent, and
 - (ii) targeted only at cases in which action is needed, and
 - (b) that regulatory functions should be exercised in a way that contributes to achieving sustainable economic growth, except to the extent that it would be inconsistent with the exercise of such functions to do so.
- (4) The Scottish Ministers must consult the following about the draft—
 - (a) persons appearing to them to be representative of regulators in respect of which the code or revised code would apply,
 - (b) such other persons as they consider appropriate.
- (5) If the Scottish Ministers decide to proceed with the draft (either in its original form or with modifications) they must lay the draft before the Scottish Parliament.
- (6) Where the draft so laid is approved by resolution of the Parliament, the Scottish Ministers may issue the code (or revised code).