EVENT REPORT

Workshop on Responsible Regulation: Regulatory Impact Assessments and Public Consultations

Date: 8th-9th May, 2026

The Centre for Market Regulations and Governance (CMRG) at Vidyashilp University convened a two-day workshop on **"Responsible Regulations: Regulatory Impact Analysis and Public Consultations"** on 8–9 May 2026. The workshop brought together regulators, academics, civil society practitioners, and policy professionals to deliberate on how India can strengthen the quality, legitimacy, and effectiveness of its regulatory architecture.

The workshop overall looked at the move towards Responsible Regulation in India, recognising the need for tackling overregulation and drafting new regulations with review processes built in. The first day focused on Regulatory Impact Assessment (RIA) as a tool for ex-ante analysis of regulatory proposals, drawing on conventional cost–benefit methods as well as design-thinking and behavioural approaches. The second day broadened the lens to public consultations and the case for a sector-agnostic framework for regulatory governance in India, with sustained attention to inclusion, accessibility, and the co-creation of regulatory solutions. The workshop was also enriched through case study exercises that looked at real-life regulatory problems and where the participants worked through the process of analysis that should happen for any regulatory proposal.

Event Highlights

Session 1: Indian Regulatory Landscape — Challenges in Rulemaking and the Need for a Structured Process

The opening session, led by Dr. M.S. Sahoo, set the conceptual stage. It traced the rise of the regulatory state in India, drawing attention to the structural concerns set out above, and argued that India is now ripe for a more disciplined approach to rulemaking. The Securities Markets Code, 2025 was discussed as a leading example of a statute that does not merely regulate markets but "regulates the regulator," mandating public consultation, periodic review, and stakeholder engagement, while disciplining the use of subsidiary instructions and protecting board composition, tenure and conflict-of-interest standards. He brought the workshop to discuss this legislation by way of tracing the development of financial market regulation in India starting from closed-markets, to regulated markets, to permissive and regulated markets.

The session also catalogued other codifications that point in the same direction: IBBI's Mechanism for Issuing Regulations, 2018; SEBI's Procedure for Making, Amending and Reviewing of Regulations, 2025; RBI's Framework for Formulation of Regulations (May 2025); and IFSCA's analogous regulations notified in July 2025. Together they signal a clear shift from sector-specific norms towards an overarching architecture of regulatory hygiene.

Session 2: Understanding and Conducting RIA — Design Thinking and Behavioural Approach

Dr. Sachin Warghade's session reframed RIA as a lifecycle exercise rather than a one-off assessment that begins after a draft regulation is on the table. In a lifecycle view, review accompanies regulation from problem identification through option design, comparison and recommendation, and continues into implementation and ex-post evaluation—feeding back into the next problem-identification cycle. Dr. Warghade argued that a lifecycle approach to regulation also addresses the problem of overregulation- an overall understanding of what regulation has done, where it has succeeded and where it has failed, helps in also ensuring that regulatory efforts are well-thought of and not regulating the same issue over and over again.

A central argument of the session was that conventional RIA, anchored in cost–benefit calculus, must be complemented by a behavioural and systems lens. He introduced different tools of analysis that help in the early problem-identification stage:

- **System Dynamics Modelling and Causal Loop Diagrams:** used to explain non-linear regulatory behaviour through stocks, flows, and reinforcing or balancing feedback loops. Modelling exposes how outcomes emerge from structure, often counter-intuitively.
- **Behavioural analysis:** using the Homo Economicus Institutionalis (HEI) test and "Delta analysis" to articulate the gap between desired and current behaviour of the regulated actors and to identify the underlying drivers of that gap. The ABCD model—Attention, Belief formation, Choice and Determination—was used to make the behavioural drivers concrete.
- **Game theory and strategic analysis:** used to model regulator–regulatee interactions, mechanism design and incentive compatibility. The classical "one child cuts, the other chooses first" allocation game illustrated how rule design can shift behaviour without expanding monitoring.

Together, these tools push the analyst to ask not only "what are the costs and benefits of option X" but also "why does the undesirable behaviour persist and what causal structure produces it." This reframing helps better understand what kind of regulatory tools might work for which situation.

Session 3: Identifying and Estimating Costs and Benefits

Session 3, led by Amol Kulkarni, looked at the most utilised tool in regulatory impact assessments - cost–benefit analysis (CBA). RIAs were framed as a systematic framework to understand and communicate the problem and its policy objectives, design options, identify and compare the direct and indirect, short- and long-term costs and benefits across stakeholders (using CBA), select the option in which benefits significantly outweigh costs, and obtain continuous stakeholder feedback.

The standard sequence of RIA steps—problem identification, option design, stakeholder identification, identification and estimation of costs and benefits, present-value computation, sensitivity analysis, comparison and selection—was illustrated using recent regulatory proposals, looking specifically at a UK-based study and how costs and benefits were calculated, assumptions made and the importance of sufficient data to be able to successfully do the same. He identified that India's data poverty is a gap that is essential to fill when it comes to efficient RIA practice.

Identifying costs

Costs were grouped by the actors that predominantly bear them. Service providers, intermediaries, regulators, SROs and consumers face familiarisation, time, search and coordination costs. Service providers, intermediaries and consumers also face intermediary fees, switching costs, opportunity costs, income loss and informality costs. Service providers and intermediaries additionally bear regulatory charges, capital lock-up, substantive procurement, indemnity and entry costs. Consumers and households face pass-through, waterbed, access, consumption and health costs. Markets bear costs in the form of slower growth and lower inclusion. The session emphasised the need to be careful about overlaps and double counting. Where data is unavailable, surveys, experiments and proxies from comparable markets and jurisdictions can be deployed. Pass-through and opportunity costs typically require literature review, expert interactions, comprehension and likert-scale surveys, behavioural experiments and focus groups.

Benefits were similarly mapped across stakeholders—harm reduction, lower prices, increased choice, better quality, psychological benefits, improved confidence, timely grievance resolution and financial inclusion for consumers. There are also other estimation methods including stated and revealed preference models, subjective well-being analysis (life evaluation, affect and eudemonia), the harm-reduction "B minus A" method, time-saved valuation, mystery shopping, the Delphi method, simulation and scenario analysis.

He concluded the session by highlighting that costs and benefits are typically more numerous and more unevenly distributed than first appearances suggest, and that the discipline of identifying them stakeholder by stakeholder is itself a major contribution of RIA, even before any monetisation is attempted.

Panel Discussion on 'RIAs in India - Opportunities and Challenges'

Panelists: Dr. M.S. Sahoo, Ms. Ashwini Chitnis, Dr. Roopa Madhav
Moderated by Zuno Verghese.

Day 1 closed with a panel discussion featuring Dr. M.S. Sahoo, Ms. Ashwini Chitnis and Dr. Roopa Madhav, moderated by Ms. Zuno Verghese. The conversation drew the threads of the day together by asking why the practices of responsible regulation have taken root unevenly across Indian sectors, and sectoral lessons can have cross-sectoral advantages. The moderator opened the panel by inviting Dr. Sahoo to reflect on why so many of the recent initiatives towards institutionalising elements of responsible regulation have emerged from the financial sector? Dr. Sahoo identified several factors specific to the history and ecology of financial and securities market regulation in India. First, the influence of the Department of Economic Affairs on the design and oversight of financial sector regulators has been distinctive. Second, the quality of expertise and talent of the individuals heading both the Department and the regulators—SEBI in particular—has shaped the willingness to experiment with structured rulemaking processes. Many of the influential officials at relevant moments were drawn from non-government and non-market backgrounds, which allowed them to take comparatively independent and assertive positions in decision-making. Third, the broader effect of the LPG (Liberalisation, Privatisation and Globalisation) reforms created both the demand and the political space for codified, transparent regulatory practice in financial markets. Fourth, IBBI played a pioneering role in adopting several of the best practices that have since been adapted by other financial sector regulators, creating a peer-learning effect within the financial regulatory community. Finally, Dr. Sahoo noted the geography of the regulator: SEBI's location in Mumbai, away from the day-to-day political and bureaucratic gravity of New Delhi, has had its own subtle effect on the thought process and culture of the regulator. The moderator then turned to Ms. Ashwini Chitnis, asking her to share observations from her work on energy regulation: how the sector has evolved, and which strengths or best practices in electricity rulemaking—at both state and federal level—would bring significant benefits if adopted by other sectoral regulators. Ms. Chitnis began with the unique powers granted to the Maharashtra Electricity Regulatory Commission (MERC) through Maharashtra state legislation. These powers enabled MERC to solicit consumer representatives on a structured basis and to seek public opinion through formal consultations, building a participatory tradition that other regulators could usefully study. Over the years, however, that position of advantage has been progressively diluted. Consumer representatives are no longer permitted to use presentation files, and each representative voicing an opinion must now do so within a specific time limit, narrowing the space for substantive engagement. Ms. Chitnis also drew attention to the structural disparity in the capacity to litigate between commercial and non-commercial actors. State-level regulatory orders are routinely disputed at higher forums, where commercial actors such as power generation companies can comfortably absorb the associated fees, but where the same costs are prohibitive for consumers and the organisations that represent them. The result is that the formal architecture of appeal works far better for those who can afford it than for those who most need it, with consequences for both the legitimacy and the substantive direction of regulatory decisions. The moderator then asked Dr. Roopa Madhav to reflect on her experience working in non-financial sectors and what lessons can be adopted for those from sectors (finance, electricity, telecom) that have done more work. She contributed a complementary perspective, drawing on her work at the intersection of law, regulation and the public interest. Her reflections situated the day's technical discussion of RIA and consultation within the wider constitutional and access-to-justice frame, and underscored the importance of designing regulatory processes that are intelligible and usable by the citizens and communities they ultimately affect. She made it a point to highlight the need to make the regulation-making process accessible, starting right from plain-language drafting, strengthening public consultations at every stage of the process and codifying assessment at all stages of regulation-making. Together, the panellists set up the next day's discussion on consultation and on a sector-agnostic frame, emphasising that institutional culture, expertise and accessibility matter in regulation-making.

Day 2

Session 4: Institutionalising RIAs and Public Consultations — Lessons from Policy Practice

Day 2 opened with a session by Dr. M.S. Sahoo and Ms. Avi Singh Majithia making the case for a sector-agnostic framework for RIA and consultation in India. Ms. Majithia spoke about the need for indigenising RIAs and what lessons can be adapted from the global context.

Building on OECD principles and these global lessons, the session proposed a five-pillar framework adapted to India's governance and socio-economic realities:

1. Address fragmentation by mandating RIA (light-touch or full) for secondary legislation, creating a central repository, and an inter-ministerial oversight body modelled on the UK's RPC.
2. Apply proportionality through a tiered system, with a multi-criteria trigger for rules affecting vulnerable groups and federal coordination that takes advantage of digital infrastructure.
3. Build a pluralistic evidence and data strategy combining PLFS, Census, field-level data and civil society inputs, with explicit acknowledgement of data gaps and sector-specific evidence protocols.
4. Make stakeholder engagement multilingual and accessible (IVRS, SMS, physical outreach), with mandatory publication of consultation reports and inclusion of informal workers, small enterprises and civil society.

5. Invest in capacity and accountability through dedicated RIA cells in every ministry, RIA methodology in civil service training, and compliance linked to performance reviews and parliamentary oversight.

Out of this, Ms. Majithia focused on what are the gaps in the Indian institutional and regulatory architecture that need to be focused on, highlighting the data deficit and the need for capacity building at all levels. Dr. Sahoo then spoke about taking advantage of the capacities already even as work on this is done. The goal, according to him, was to keep working even as efforts to codify responsible regulation continued, highlighting once more, the work already done by financial regulators, especially IBBI and the lessons there to be learnt from.

Session 5: Public Consultations in Regulatory Decision-Making

Antaraa Vasudev's session situated public consultation as a building block of regulatory legitimacy. Public consultation is the process by which a draft regulatory proposal is placed in the public domain for substantive comment. It builds awareness of the rationale for regulation, gives those affected a voice, and provides the regulator a window into market and implementation realities. She spoke of the government's efforts to integrate public consultation, starting from the Financial Sector Legislative Reforms Commission (FSLRC) which recommended that all regulations made by SRAs should be laid before Parliament. However, she did note that current Indian practice typically goes no further than ex-post intimation. She then compared existing models of public consultation, highlighting TRAI as a unique case.

The TRAI model is distinctive, firstly because it is not codified in regulations but is deeply institutionalised. Secondly, because it is iterative. It runs through six steps: a Consultation Paper that sets out the problem context and the proposed solution; an invitation for stakeholder comments; a counter-comments stage that allows stakeholders to respond to one another; an Open House (often hybrid) for qualitative nuance; an analysis stage in which evidence is weighed and feedback addressed; and a final regulation published with an explanatory note. The model works because it builds in time for stakeholders to react not only to the regulator but to one another, and because the Open House surfaces qualitative and contextual material that written submissions often miss.

Ms. Vasudev reiterated that consultations are meaningful only when they reach those affected by proposed regulations. That requires deliberate design choices: drafting in accessible language and avoiding legalese; using digital platforms suited to Indian conditions, including WhatsApp, IVR and tools such as civis.vote; targeted outreach to impacted but marginalised groups; and active capacity building for both consumer groups and regulated entities. Practitioners and civil society organisations have a particular role to play in building citizen capability, and consultation itself should evolve from solicitation of comments towards genuine co-creation of solutions.

Session 6: Regulatory Impact Assessment (Exercise)

Participants and facilitators together worked in two groups on a real regulatory problem. The exercise proceeded in the following steps: (i) identifying the problem at hand (what actually needs to be solved) (ii) brainstorming the causalities that explain why the undesirable behaviour persists; (iii) discussing policy options available; and (iv) choosing a policy option-identifying the potential costs and benefits that will come with it. The collaborative format made visible how problem definition, option design and consultation design are interdependent rather than sequential. The exercise was instrumental, not just in tackling a real problem, but also in showcasing that the RIA exercise need not always be applied to large regulations, but can also be adapted to tackle smaller changes in regulations, proposed rule changes, and more.

Closing Session: Co-Designing High-Quality Consultation Responses (Antaraa Vasudev)

The final session was a hands-on discussion on what a high-quality consultation looks like across its three stages—pre-consultation, consultation, and reporting and analysis—anchored in two recent Indian case studies.

Ms Vasudev provided some context in the form of Civis's analysis of recent regulatory consultations: a 118 per cent increase in the number of consultations between 2024 and 2026, with 80 per cent of consultation bodies repeating consultations in each year, and a 374 per cent increase in cross-cutting domain consultations over the same period. Duration is improving, but outreach across multiple channels remains a key area for growth. She then went into an open discussion on two case-studies.

Firstly, SEBI's Green and Blue Bonds Framework was discussed as an example of consultation that scores highly on procedural rigour, providing detailed justification and financial implications for almost every proposed change. The framework formalised "Blue Bonds" for ocean resource management and "Yellow Bonds" for solar energy, aligned the domestic regime with International Capital Market Association principles, and reduced compliance costs for issuers while guarding against greenwashing. Secondly, The Karnataka Excise Reforms 2026 consultation, ongoing at the time of the workshop, was used as a live case to discuss stakeholder mapping, the design of consultation questions targeted at citizens, industry and domain experts respectively, and the design of an inclusive response journey for users such as "Fatima," a 49-year-old basti resident in Mumbai with moderate technical literacy who is reachable through WhatsApp and trusted intermediaries. The discussion focused on what policy options might exist (beyond what is proposed in the Rules) and what might be the hidden costs and benefits not identified in the Rules.

The session closed by emphasising that high-quality consultation is the product of disciplined work in three stages: clear stakeholder mapping and accessible summarisation before the window opens; multi-channel engagement with adequate time and culturally appropriate outreach during it; and a comprehensive, timely report that closes the loop and feeds visibly into the final regulation.

Conclusion

The workshop closed with an informal feedback session from the facilitators and participants on the workshop. The overall feedback was positive with comments that it was well-designed, participatory and despite being a smaller group of participants, had very rich discussions. They especially focused on the usefulness of the practical exercises in contextualising the workshop. Some of the constructive feedback was to focus on increasing outreach to legal think tanks and industry associations as well; as well as collaborate given that it is not a large group of people working on regulations and collaborations can strengthen efforts being made by various centres and organisations.

List of Speakers and Participants

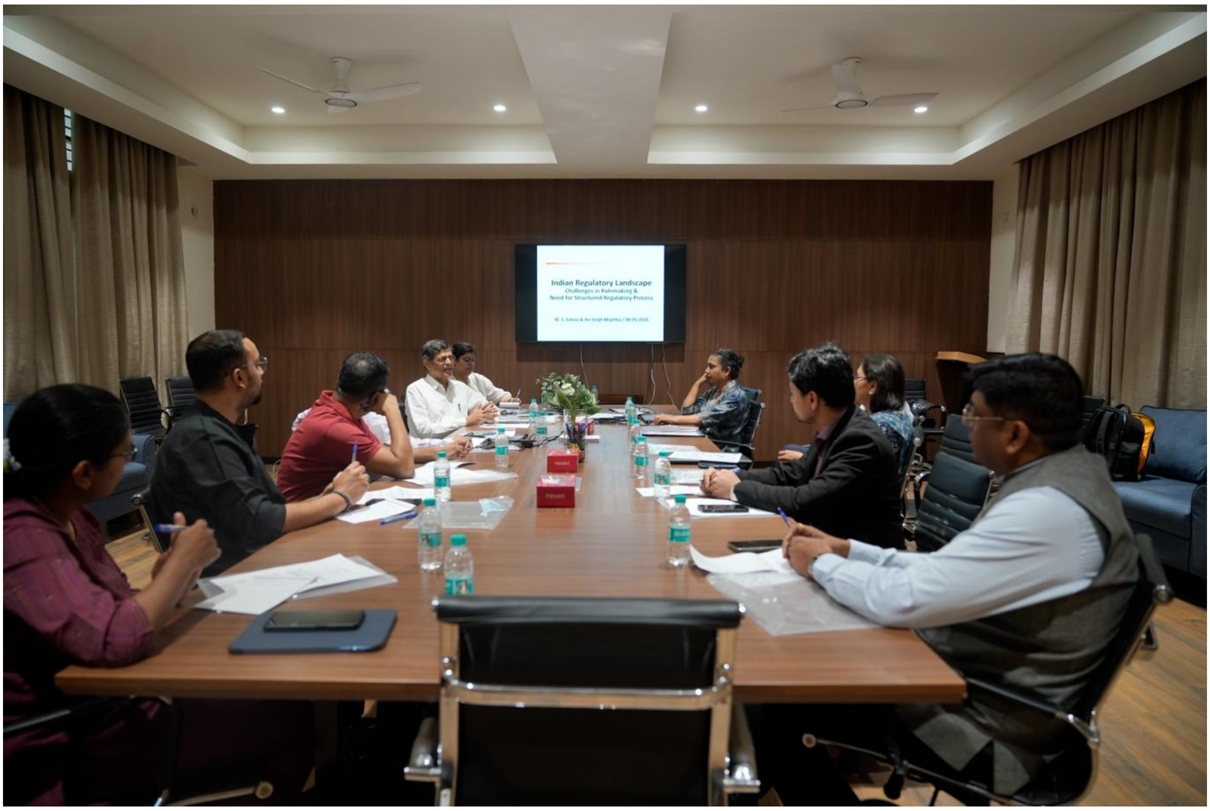
Facilitators:

- Dr. M.S. Sahoo
- Dr. Sachin Warghade
- Ms. Ashwini Chitnis
- Ms. Antaraa Vasudev
- Mr. Amol Kulkarni
- Dr. Roopa Madhav
- Ms. Avi Singh Majithia

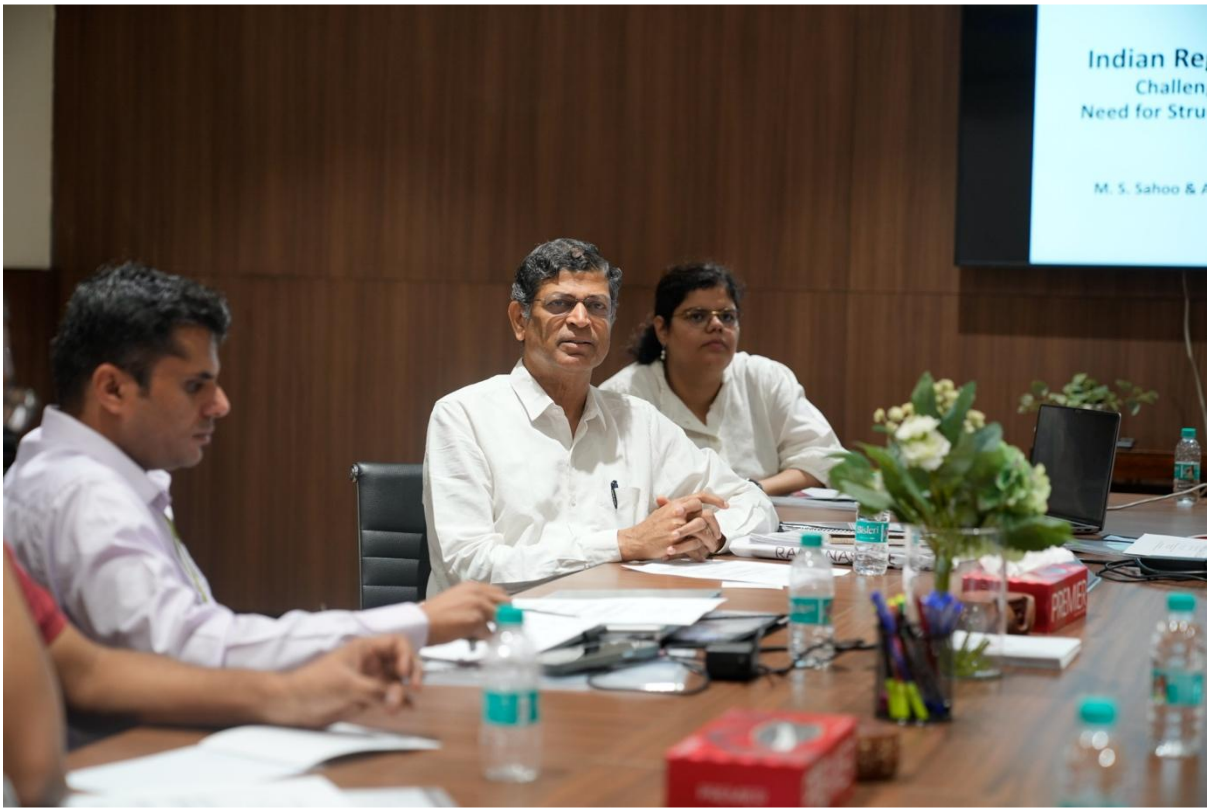
Participants:

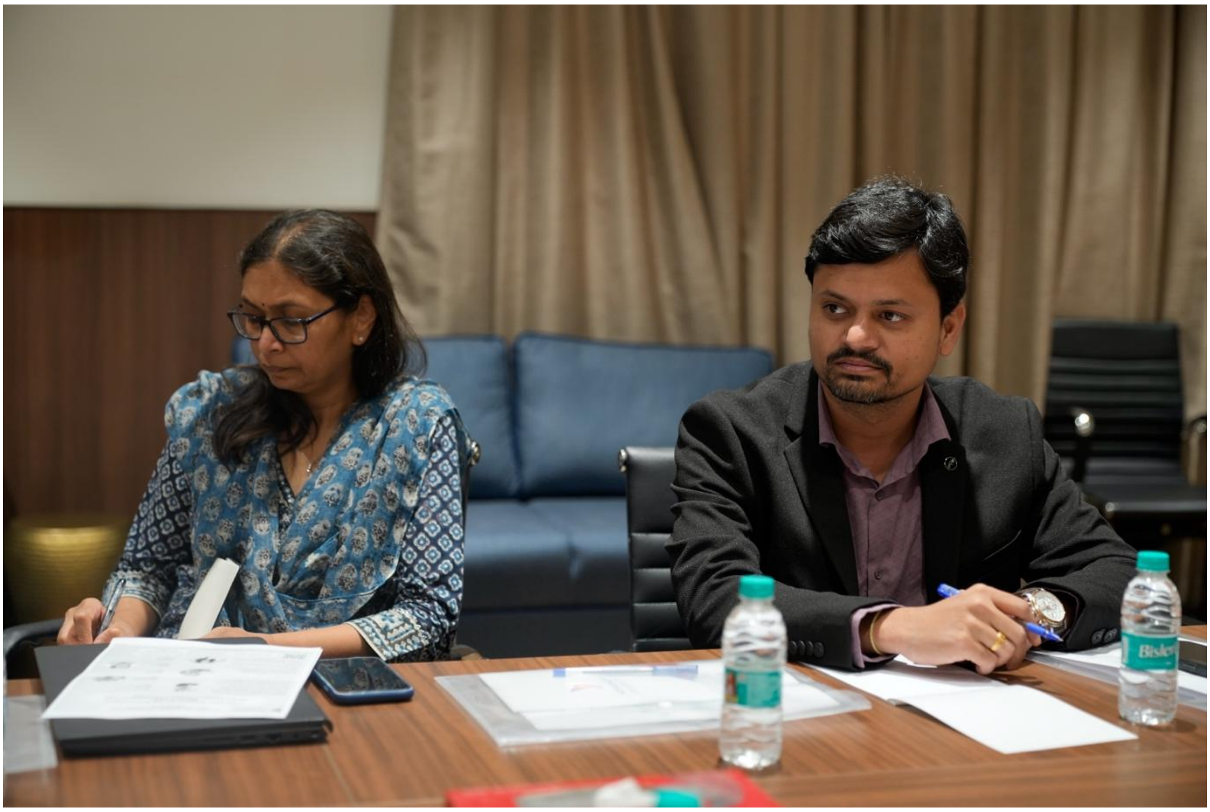
- Amit Mittal
- Nilesh Inapakurti
- Mayank Gaur
- Sneha Warrier
- Sumit Sonkar
- Manu Goswami
- Shilpa Baid
- Zuno Verghese

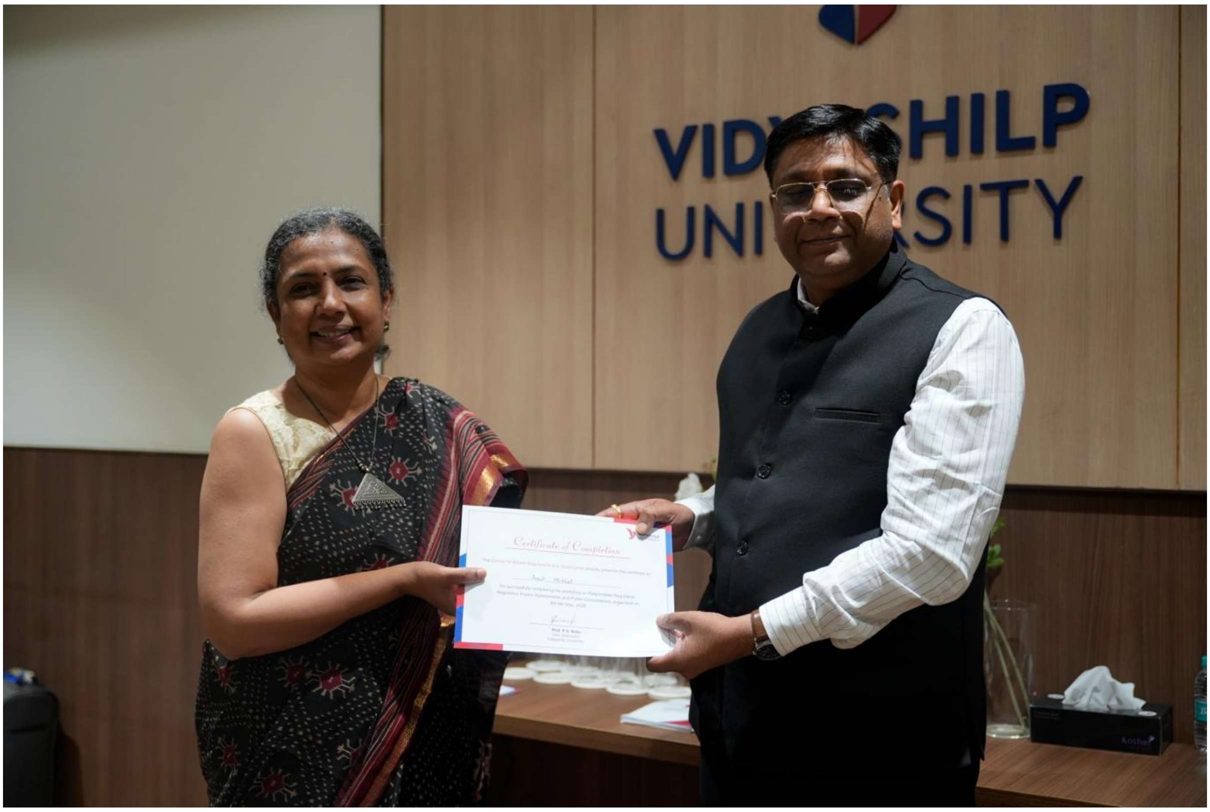
Photos of the Event




VIDYASHILP
UNIVERSITY


Indian Re
Challen
Need for Stru
M. S. Sahoo & A




Certificate of Completion


VIDYASHILP
UNIVERSITY
GPS Map Camera
Bengaluru,Karnataka,India
Telecom Layout Road, Kuduragere North Taluka, Bengaluru,
Karnataka 562157, India
Lat 13.202582, Long 77.600132
Friday, 08/05/2026 14:34 GMT+05:30
Note : Captured by GPS Map Camera