

## **CONTENTS**

1.	An Introduction to Small - And Medium- Sized Enterprise Trade in New Zealand1
2.	Conditions for Trade in Goods7
3.	Exporting Services to New Zealand25
4.	Digital Trade30
5.	Intellectual Property Rights36
6.	Investment42
7.	Public Procurement49
8.	Competition54
9.	Trade and Sustainable Development 57
10.	Resolving Disputes62
11.	Resources and Contact Information





## 1 AN INTRODUCTION TO SMALL - AND MEDIUM-SIZED ENTERPRISE TRADE IN NEW ZEALAND

New Zealand is a stable, developed economy that is ranked one of the most competitive in the world at 31st position in the 2023 index by the Swiss-based <u>Institute for Management Development</u>. For several years in a row, New Zealand ranked number one in the world for ease of doing business (World Bank, Doing Business Report 2020). Futhermore, New Zealand is the 2nd equal least corrupt country in the world <u>(Transparency International, Corruption Perception Index 2022)</u> and ranks 5th in the <u>Index of Economic Freedom 2023</u>.

The New Zealand economy is dominated by service industries that make up about two-thirds of gross domestic product (GDP). Primary industries (including agriculture) account for approximately one-twentieth of GDP and manufacturing or goods-producing industries about one-fifth.

Annual expenditure on government procurement amounts to approximately 20% of GDP.

New Zealand weathered the economic impacts of the global slow-down after the Covid-19 pandemic, with record low levels of unemployment in 2023. **Economic growth** is currently forecast to average 1.5% over 2024 and 2025. It is expected to pick up again from 2026, with GDP growth estimated at 2.8% and then 3% in 2027.<sup>2</sup> New Zealand's economic growth is supported by record high levels of net migration and a strong export sector.<sup>3</sup>

New Zealand is a trade dependent economy, supporting free and open trade through the multilateral rules-based system and a network of preferential trade agreements with its top trading partners. Despite longstanding trade and economic ties, no preferential trade arrangement has existed between the European Union (EU) and New Zealand - until now.

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<sup>1.</sup> https://www.stats.govt.nz/information-releases/gross-domestic-product-september-2023-quarter/#text-alt

<sup>2.</sup> https://budget.govt.nz/budget/hyefu2023/hyefu23.pdf

<sup>3.</sup> Ibid.

#### 1.1 The European Union - New Zealand Free Trade Agreement

#### 30 June 2022

The EU and New Zealand concluded negotiations for a comprehensive and ambitious free trade agreement on 30 June 2022

#### **November 2023**

Both parties need to ratify. The EU completed its ratification process in November 2023

#### 1 May 2024

New Zealand completed ratification in March 2024 and the agreement will enter into force on 1 May 2024

The EU is New Zealand's third largest trading partner. Bilateral trade in goods between the EU and New Zealand has risen steadily in recent years, reaching just over €9.8 billion in 2022. Bilateral trade in services has also risen, reaching €3.5 billion in 2021.

According to the <u>Trade Sustainability Impact Assessment</u> of the EU-New Zealand Free Trade Agreement ('FTA'), trade between the EU and New Zealand is expected to **increase by up to 30%** as a result of the EU-New Zealand FTA. Trade in goods could increase by 47% and trade in services by 14%. In addition, EU investment in New Zealand could rise by up to 80%.

The EU-New Zealand FTA does not only benefit large exporters and firms. In fact, the vast majority of companies in both the EU and New Zealand are **small and medium-sized enterprises (SMEs)**. In recognition of the importance of SMEs to trade and investment relations and the challenges they face in accessing such opportunities, a dedicated SME chapter (chapter 21) was included that addresses their specific needs.

#### The SME Chapter:

- Requires both the EU and New Zealand to provide SME-relevant information on how to access and
  do business on each other's markets. Such information is to be provided on one publicly-accessible
  digital platform, such as an SME-specific website; and
- Requires the appointment of SME contact points on each side, who will cooperate in identifying
  ways for SMEs to benefit from the opportunities offered by the agreement.

This will ensure that SMEs can easily access all relevant and up-to-date information on doing and setting up business in the other Party, enhancing their ability to benefit from the FTA.

The EU-New Zealand FTA provides many new opportunities and benefits for SMEs:

- All tariffs on EU exports to New Zealand will be eliminated, saving EU businesses including SMEs up to €140 million in duties per year on a range of industrial and agricultural products such as motor vehicle parts, machinery, textiles, pork meat and chocolate. This is expected to lead to an increase in both exports and overall competitiveness of SMEs.
- The full list of EU Geographical Indications ('GIs') for wines and spirits along with a list of 163 famous EU foodstuff GIs will be protected in New Zealand. Farmers and small EU producers will be protected against the misuse of their terms in the New Zealand market, allowing them to benefit from the reputation in their high quality products.

- EU investors, service providers and companies will be able to invest, provide services and tender for public contracts on an equal footing in New Zealand. The opening of key services sectors and improved access to procuring entities will deliver further opportunities for SMEs to do business in New Zealand.
- Rules addressing regulatory barriers and promoting transparency will help reduce costs, streamline procedures and provide business certainty. SMEs will benefit from reduced compliance costs, improved efficiencies, and a stable regulatory environment in a range of sectors.
- EU SMEs will also benefit from predictable and transparent rules for digital trade, as well as the facilitation of cross-border data flows. Ambitious rules on the use of e-contracts, e-invoices and paperless trading will make it easier for SMEs, in particular, to operate.

The full text of the EU-New Zealand FTA, its annexes and tariff schedules, are available here

#### 1.2 SMEs in New Zealand

According to Stats NZ and the New Zealand Ministry of Business, Innovation and Employment:

"New Zealand is a nation of small and micro business - including selfemployed. Defined as those with fewer than 20 employees, there are approximately 546,000 small businesses in New Zealand representing 97% of all firms. They account for 29.3% of employment and over a quarter of New Zealand's gross domestic product (GDP)." <sup>4</sup>



A medium sized business in New Zealand has 0-49 full-time employees.<sup>5</sup>

There are different definitions used by various government agencies and business organisations, which are available here.

New Zealand has a Minister of Small Business, who is supported by the Small Business Collective. The Collective oversees the implementation of the <u>Small Business Strategy</u>.

A guide to support small business in New Zealand was published in May 2018 and is available <u>here</u>.

New Zealand SMEs seeking to participate in international trade and investment activities can access support from <a href="New Zealand Trade and Enterprise">New Zealand Trade and Enterprise</a>, which is a government agency that offers support for businesses seeking to grow internationally. This includes free and co-payment services to support exporters and those seeking to raise capital.

SMEs can also benefit from membership of various **business organisations in New Zealand**. Membership is not compulsory and there are a wide range of options, from regional chambers of commerce to industry or sector bodies to special interest groups representing Māori and women owned businesses.

<sup>4.</sup> Source: https://www.mbie.govt.nz/business-and-employment/business/support-for-business/small-business/

<sup>5.</sup> An SME in the EU has 0-250 full-time employees, an annual turnovernnot exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro.

A number of EU Member State business associations, chambers of commerce and trade and promotion agencies are present in New Zealand, whose role it is to support EU businesses in New Zealand. A list can be found in section 11.3 of this SME Guide.

EU companies can also contact the <u>New Zealand Local contact point</u> of the Enterprise Europe Network, which helps connect SMEs in the EU and New Zealand with tailored advice, support and opportunities in each other's markets.

#### 1.3 What else should I know about New Zealand?

New Zealand is **politically stable** with a Parliamentary democracy under a constitutional monarchy and strong legal institutions. Wellington is New Zealand's centre of government and the world's southernmost capital city. Auckland, New Zealand's largest city and financial centre, is ranked as the tenth most liveable city globally, according to the <u>Economist Intelligence Unit</u>, with a perfect score for education and the highest culture and environment scores among the top 10 cities. <sup>6</sup>

The New Zealand Dollar is the official currency (NZD).

**English** is the most common spoken language in New Zealand, while **Māori** and **New Zealand Sign Language** have special status under the law as official languages.

#### Trade and the Māori Economy

New Zealand is a diverse country, with increasing levels of multiculturalism. In 2018 (the last year with complete census data available), the New Zealand population included people descended from:<sup>7</sup>

70.2% European (3,297,860 people)

16.5% Māori (775,840 people)

15.1% Asian (707,600 people) 8.1%
Pacific peoples
(381,640
people)

1.5% Middle Eastern, Latin American and African (MELAA) (70,330 people)

Māori are the indigenous people of Aotearoa New Zealand (which, in Māori, means "the land of the long white cloud"). Māori hold a special place as a partner of the New Zealand Government in line with Te Tiriti o Waitangi (Treaty of Waitangi), New Zealand's founding document.

#### Te Tiriti o Waitangi

Te Tiriti o Waitangi or the Treaty of Waitangi is the founding document of Aotearoa New Zealand, signed between the British Crown and around 540 Māori chiefs in 1840. It establishes a continuing partnership between Māori and the Government that is based on several core principles, including active participation. Recently, this includes in trade negotiations. Te Tiriti sets out obligations for the New Zealand Government that apply across a wide range of areas that can be impacted by a comprehensive free trade agreement, like the EU-New Zealand Free Trade Agreement.

6. https://www.eiu.com/n/campaigns/global-liveability-index-2023/



<sup>7. &</sup>lt;a href="https://www.ehinz.ac.nz/indicators/population-vulnerability/ethnic-profile/">https://www.ehinz.ac.nz/indicators/population-vulnerability/ethnic-profile/</a>. Note that total response ethnic groups have been used (where everyone is included in every ethnic group they identify with) so percentages will add to more than 100%.

The Māori economy plays a significant role the New Zealand economy. Currently estimated to be worth around **NZD 70 billion**, it is growing year-on-year at a pace faster than the wider New Zealand economy.

While Māori business exposure to trade has traditionally come from primary industries, in particular fishing and forestry, **the Māori economy is evolving**. Research and innovation incorporating traditional Māori knowledge and sustainable production methods are transforming Māori agrifood businesses, with a focus on greater value-added goods. Diversification is also seeing greater development in the services sector, in particular the digital and information technology enabled services sectors, with tech start-ups a new and growing sector for Māori SMEs. **Plenty of opportunities exist for EU SMEs to engage and do business with Māori.** 

In recognition of the importance that Māori can benefit from trade and investment opportunities, the EU-New Zealand FTA includes a dedicated chapter on the interests of Māori as set out in the **Māori Trade and Economic Cooperation chapter**.

This is the first indigenous chapter in an EU free trade agreement. Its aim is to contribute to the advancement of Māori economic aspirations through coordinating cooperation activities, strengthening links between EU and Māori enterprises (particularly SMEs).

Cooperation activities include supporting science, research and innovation, and on Geographical Indications. The chapter also references Māori concepts, many of which are important for understanding Māori interests in trade and trade-related areas.

#### Examples of Māori Concepts in the EU-NZ Free Trade Agreement

**Te Ao Māori** - Māori worldview that encompasses language, customs, protocol and identity as well as a core set of values

Mātauranga Māori - Māori knowledge derived from both customary and contemporary systems

**Tikanga Māori** - Māori customary behaviours or practices

Kaupapa Māori - Māori approach or ideology

**Taonga** – anything considered to be of value or treasured, including ideas, techniques or resources

Additional core values underpinning Māori business and culture include:

- Kaitiakitanga: Guardianship, particularly in respect of the natural resources.
- Manaakitanga: Care and hospitality, particularly for visitors.
- **Kotahitanga**: Collaboration and building unity.
- Rangatiratanga: Stewardship of others and empowering Māori to advocate for their own people.
- Whanaungatanga: Building and maintaining relationships.

More information about these principles and others is available <u>here</u>.



#### What etiquette should I be aware of when seeking to do business in New Zealand?

The <u>Cultural Atlas</u> provides useful pointers on doing business in New Zealand, including:

- Prepare for meetings in advance and be clear on the objectives and expectations. New Zealanders tend to be direct and value efficiency.
- Establish personal connections using common interests, humour and social engagements.
- Speak up and do not wait to be asked to give an opinion engagements in New Zealand are often direct, with communication being interactive and inclusive.
- Fairness is a common value in New Zealand and attempts to bargain or drive a hard negotiation are not likely to be viewed favourably.
- Expertise is valued highly, with many New Zealand organisations being meritocracies.

#### What visa rules might apply to me when travelling to New Zealand to do business?

Citizens of all EU Member States may enter New Zealand to do business for **up to 3 months without** a **visa**.

A full list of visa waiver countries is available <u>here</u>.

You must apply for a New Zealand Electronic Travel Authority (NZeTA) before

traveling to New Zealand. This can be done online or on the free app for a cost of NZD 17 (price as at December 2023). Processing time is up to 72 hours and an NZeTA is valid for 2 years and can be used multiple times.

More information on the NZeTA is available here.

If you intend to spend more than 3 months visiting New Zealand in any 1 year then you will need to apply for a work visa.

Information on visiting New Zealand on business in available here.





#### 2 CONDITIONS FOR TRADE IN GOODS

#### 2.1 Why trade with New Zealand?

New Zealand is Oceania's second largest economy, with a population of over 5 million and an annual GDP of over €220bn in 2023. EU firms exported €6.258bn of goods to New Zealand in 2022 and imported €2.807bn from New Zealand in the same year.



New Zealand enjoys strong preferential trade links in the Asia-Pacific. New Zealand is party to a number of trade agreements in place in the region, including:

- Closer Economic Relations with Australia.
- ASEAN-Australia-New Zealand free trade agreement (AANZFTA).
- PACER Plus with Pacific Island countries and Australia.
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
- Regional Comprehensive Economic Partnership (RCEP).
- Trans-Pacific Strategic Economic Partnership (P4).
- Bilateral arrangements with China, Singapore, Korea, Malaysia, Thailand and Hong Kong, China.

Information on New Zealand's trade agreements is available <u>here</u>.

A trade agreement with New Zealand strengthens the EU's position in the increasingly important and contested Indo-Pacific region, home to the largest source of GDP growth in the next decades, helping to support the **2021 EU Indo-Pacific Strategy**. The growing markets of the Indo-Pacific offer considerable opportunities for trade and investment, including for EU SMEs.

#### 2.2 Benefits of the EU-New Zealand Free Trade Agreement

The EU-New Zealand Free Trade Agreement ('FTA') contains a number of chapters and annexes that seek to make trade in goods more accessible, easier and certain between the EU and New Zealand.

Rules for the progressive and reciprocal **liberalisation of trade in goods are set out in chapter two**, with each Party's tariff elimination and reduction commitments set out in an accompanying annex. **Chapter three sets out transparent and predictable Rules of Origin and origin procedures**, compliance with which will enable EU exporters to claim New Zealand tariff preferences under the FTA. **Chapter four outlines customs and trade facilitation measures** and areas for cooperation between the EU and New Zealand customs officials. Trade remedies available under the agreement are set out in **chapter five**, including the bilateral transitional safeguard mechanism. **Chapter six deals with Sanitary and Phytosanitary (SPS) measures**, covering food safety and plant health. Animal health issues are covered by the already existing EU-New Zealand Sanitary Agreement. Cooperation commitments to promote **sustainable food systems** and strengthen **animal welfare** are set out in **chapters seven and eight**, respectively. Rules aimed at reducing **Technical Barriers to Trade (TBT)** 

**are covered in chapter nine**, with particular rules facilitating trade in **Wines and Spirits**, **and Motor Vehicles**, set out in associated Annexes.

The full text of the EU-New Zealand FTA is available here.

This section summarises key commitments, rules and regulations that may concern goods imports into New Zealand from the EU, including tariff rates, rules of origin, documentation requirements, customs procedures, import controls, non-tariff measures (TBT and SPS) and trade remedies.

#### 2.3 Tariffs

New Zealand is an open market for imports. It has a simple average tariff rate across all goods of less than 2% for non-preferential trade and does not administer any tariff rate quotas.

Approximately 95% of goods from non-preferential trading partners, including the EU, currently enter New Zealand duty free. The EU-New Zealand FTA will eliminate the remaining 5%, opening new opportunities and creating a level playing field for EU exporters in the New Zealand market.

Over time, the FTA is expected to increase EU goods exports to New Zealand by up to 47%.

A number of EU industrial products will benefit from zero tariffs under the EU-New Zealand FTA, including:

- Machinery (current tariffs up to 5%)
- Chemicals (current tariffs up to 5%)
- Motor vehicles and parts (current tariffs up to 10%)
- Electrical and electronic machinery (current tariffs up to 5%)
- Pharmaceuticals (current tariffs up to 5%)
- Shoes, clothing and textiles (current tariffs up to 10%)

EU food and beverages will also stand to gain from easier access to the New Zealand market due to tariff elimination.

Among others, New Zealand will liberalise at entry into force EU pig meat, wine and sparkling wine, chocolate, sugar confectionary and biscuits (current tariffs 5%).

The tariff elimination schedule for New Zealand can be found here.

In addition to full tariff liberalisation, the FTA provides for additional trade facilitation possibilities, such as the **prohibition** of export duties and taxes, the duty-free treatment of repaired and remanufactured goods and the recognition of the "Made in the EU" labelling marking.

Information on applicable tariff rates can be accessed on the <u>EU Access2Markets database</u>.

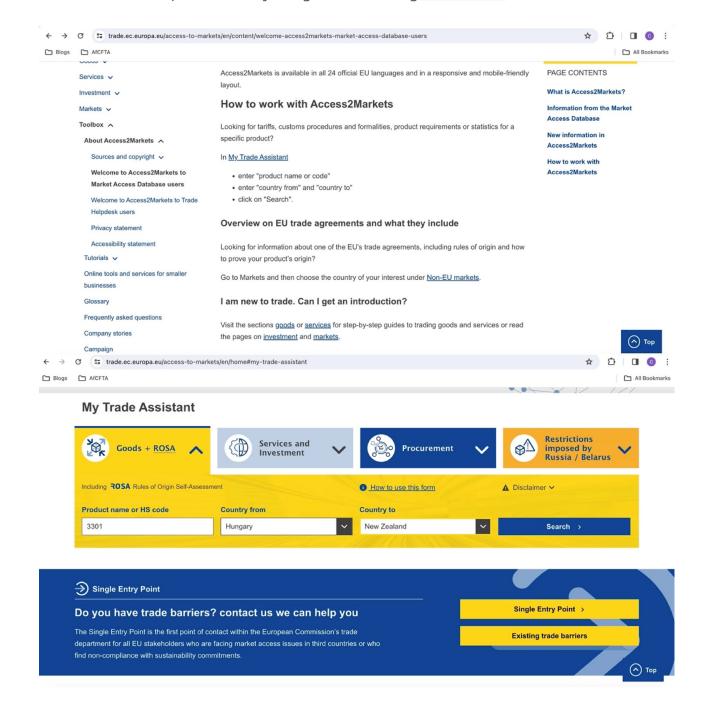


The EU classifies its tariff codes using the Combined Nomenclature, which comprises the global Harmonised System (HS) of Classification with further EU subdivisions that address the needs of the EU. **New Zealand currently uses the HS 2022**. The New Zealand Working Tariff is available <a href="here">here</a>.

#### **Using Access2Markets**

Access2Markets allows you to obtain information you need when you trade with third countries, such as on tariffs, taxes, procedures, formalities and requirements, rules of origin, export measures, statistics, trade barriers and much more. It also allows you to access key information needed for trade in services as well as for investment and procurement in 3rd countries. You may also learn about EU trade agreements, how to benefit from them and read stories on successful companies using them.

The information on the Access2Markets database and its associated tools is copyright protected and access is limited to users logging on the portal from EU territory. However, European companies' offices outside of the EU can request access by filling in the following contact form.



#### 2.4 Rules of Origin

Products are considered as originating from the EU under the EU-New Zealand FTA if they are:

- Wholly obtained in the EU (by agriculture, mining, fishing etc.) or produced in the EU exclusively from materials originating in the EU or in New Zealand.
- Products produced in the EU incorporating materials that are not originating there or in New Zealand, provided that such materials have undergone sufficient working or processing within the EU.

The FTA sets out a set of working or processing procedures or other requirements for products based on their HS Codes to qualify for origin status (**Product-specific rules of origin**). Therefore, you will need to check the HS codes of products intended to be imported into New Zealand to find their respective originating requirements. The product-specific rules could be based in particular on value addition, a change in tariff classification requirement or a specified process.

Materials from New Zealand can be counted as originating in the EU and vice versa, as well as any processing that has been done on non-originating materials in either party. This is called full bilateral cumulation.

For products not meeting the product-specific rules, there is the possibility to apply **tolerance allowing the use of 10% in value of non-originating materials** - which the product-specific rule would
not allow to be used - in the production process of a product without affecting its
status. This tolerance does not apply to textiles and clothing, which

have other specific tolerance rules.

The FTA helps to reduce transaction costs for exporters using simple documentory requirements: rather than requiring a government certificate, **origin can now be established either on the basis of a statement by the exporter to this effect or the importer's knowledge of the product.** 

The <u>EU Access2Markets database</u> also provides a platform where you can check the rules of origin for goods exported to third countries. This is known as <u>ROSA</u> (<u>Rules of origin self-assessment tool</u>). ROSA will be updated to include the rules of origin for goods exported to New Zealand once the EU-New Zealand FTA enters into force.

As mentioned in section 2.3 of this SME Guide, the information on the Access2Markets database and it's associated tools, including ROSA, is copyright protected and access is limited to users logging on the portal from the EU terrritory. However, European companies' offices outside of the EU can request access by filling in this contact form.

#### How to use the Rules of Origin Self-Assessment tool (ROSA)



The EU's worldwide network of trade agreements cuts customs duties or removes them altogether.

To benefit from these lower or zero duties, your product needs to comply with the rules of origin.

**ROSA**– the Rules of Origin Self-Assessment tool in *Access2Markets* – allows to check whether a product complies with the rules of origin and therefore qualify for preferential tariff treatment under a particular EU trade agreement.

**ROSA** is a one-stop-shop to know the rules of origin for your product in most EU trade

**ROSA** is free and easy to use! From today the EU-Canada FTA (CETA), EU-UK TCA, EU-Japan FTA and also the Generalised Scheme of Preferences are available in all EU languages (machine translated from the original English version). All free trade agreements will progressively be translated into all EU languages.

#### What is **ROSA**?

The Rules of Origin self-assessment tool (**ROSA**) guides businesses throughout the rules of origin applicable to their product in a particular Trade Agreement. It allows them, by replying to simple questions, to perform a self-assessment to determine whether their product complies with those rules and can therefore qualify for preferential tariff treatment. Clear explanations, examples and links to the relevant legal texts are available throughout the tool.

To make life easier for companies, **ROSA** gives explanation on the proof of origin that needs to be made out to obtain tariff preferences.

#### How does it work?

Go to My Trade Assistant and enter

- · the product
- · the country of export
- · the country of import
- click on Rules of Origin Self-Assessment (ROSA) in the left side menu to access the tool

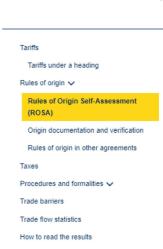


#### **ROSA** gives you

- a step-by-step tool with tailored questions that will help you through the process of assessing the origin of your product in a few clicks
- detailed information on how to correctly document the origin of your product under each agreement
- · explanations of rules of origin requirements and terms
- practical examples
- direct access to legal texts
- · a tailored self-assessment report based on your answers

Rules of Origin Self-Assessment (ROSA)

- · an overview of rules of origin procedures
- all information provided is specific to the particular trade agreement you have chosen and your product



# Rules of origin self-assessment tool This interactive tool can be used to assess if your product is originating and therefore benefit from EU Trade Agreements (translation ongoing, FTAs with Japan, UK, Canada, neighbouring Pan-Euro-Mediterranean (PEM) countries and GSP available in all EU languages). Click here to access ROSA >

#### 2.5 Customs Procedures and Documentation

The EU and New Zealand share the objective of providing efficient custom procedures to traders, in particular to smaller entities. Adequate provisions ensuring **transparency** of the legislation, forms and procedures needed to be complied with at the border, **easy access to information** on applied tariffs, **access to contact points** in case of enquiries, and **consultation** of business prior to adoption of new customs legislation, are only a few elements of the Customs and Trade Facilitation chapter in the EU-New Zealand FTA.

#### Customs procures and documentation for goods entry into New Zealand

When considering exporting or importing goods to New Zealand, companies are advised to first check whether the product:



Is allowed into New Zealand



Requires approval to import

While New Zealand has a relatively open economy, **a limited number of products are prohibited** and cannot be imported into the country. Other products may be subject to an **unsafe goods notice** and may not be imported until either the notice is revoked, the notice period expires, or the notice is made permanent.

There are also products that **require specific approval** before they can be brought into New Zealand. The New Zealand Customs Service details products that are prohibited, and those that require specific approval <u>here</u>. This list is periodically reviewed by NZ Customs.

In addition, the "<u>for business</u>" section of the <u>Ministry of Primary Industries</u>' website provides details of provisions and procedures for **importing food, plant, wood/timber, hazardous chemicals, and animal and fish products**. Many of these products require biosecurity and/or food safety approval under the Biosecurity Act (1993), the Hazardous Substances and New Organisms

Act (1996), or the Food Act (1981). Current unsafe goods notices can be found on the Ministry of Business, Innovation and Employment's "Product Safety" website <a href="here">here</a>.

Other documentation for entry into New Zealand or placement on the New Zealand market may be required, as per the information below on SPS and TBT.

Prior to exporting to New Zealand, the following steps must be completed:

- Submit an electronic import entry or electronic cargo entry (ECI) lodgement.
- Pay applicable Customs duties and Goods and Services Tax (GST).
- ✓ Pay other applicable charges and levies.
- Submit appropriate documentation if there are any restricted items.



These steps will usually be done by a customs broker, agent or freight forwarder, but can be done by either the exporter or importer (depending on the contract arrangement in place).

The New Zealand-domiciled importer of the products needs to be registered with <u>NZ Customs</u> to obtain their **declarant code and a unique user identifier (UUI)** to use Customs' online services and third-

party Electronic Data Interchange (EDI) software to lodge an import entry.

The NZ Customs electronic clearance system will automatically generate

notifications of any specific documentary and additional clearances (e.g. biosecurity or food safety, etc.) required for the products before they can be cleared. Once the shipment is cleared by the electronic clearance system, an electronic release message may be generated, or an import delivery order given.

Goods valued at less than NZD 1,000 and passenger effects are exempt from the requirement for electronic customs clearance prior to export.

Guidance on customs valuation in New Zealand is available here.

New Zealand's customs regulations are set out in the Customs and Excise Act 2018-

#### 2.6 Non-Tariff Measures

The EU-New Zealand FTA contains chapters on Sanitary and Phytosanitary (SPS) issues and Technical Barriers to Trade (TBT) that aim to facilitate trade and market access while safeguarding the levels of protection they each deem appropriate. Both chapters **promote transparency and encourage the use of international standards**, in addition to **promoting cooperation** between the EU and New Zealand including to further **eliminate unnecessary barriers to trade**.

The SPS chapter builds upon the **WTO Agreement on the Application of Sanitary and Phytosanitary Measures** and deals with all SPS issues not covered by the **EU-New Zealand Sanitary Agreement** on trade in live animals and animal products.

The chapter defines streamlined procedures on the exchange of regulated pests for plant products and the recognition of pest free areas. Rules leading to **equivalence** of each others' SPS measures are defined. Definition of the import requirements for priority plant products are to be treated in an accelerated manner.

New ambitious rules on **anti-microbial resistance** commit the EU and New Zealand to cooperating in international fora on the development of future standards and initiatives, including on responsible and prudent use.

Moreover, commitments have been made to ensure the import of goods subject to an SPS measure under review are not prohibited or prevented because of that review. The chapter also includes a cooperative provision aimed at deterring fraudulent, non-compliant or misleading practices in relation to traded commodities under the chapter.

The TBT chapter builds upon the **WTO Agreement on Technical Barriers to Trade** with respect to the promotion of transparency and cooperation in the development of technical regulations, standards, conformity assessment procedures and the review of existing regulations. The **use of international standards** in the development of technical regulations, standards and conformity assessment

procedures is strongly encouraged, while the **recognition of non-third-party conformity assessment** is promoted in order to reduce compliance costs to businesses.

### Businesses will also benefit from marketing and labelling provisions aimed at streamlining administrative requirements.

The chapter has three annexes covering Wine and Spirits, Motor Vehicles and Suppliers' Declarations of Conformity (SDoC).

#### **Technical Barriers to Trade**

#### **New Zealand Regulatory System**

The Standards and Conformance system is New Zealand's arrangement for providing independent assurances about the quality of goods, services, systems and personnel. It is designed to support trade while ensuring adequate protection to consumers and the environment, and to make it easier for both consumers and businesses to make informed decisions.

## EU products must meet any applicable regulatory requirements under the Standards and Conformance system in order for them to be sold on the New Zealand market.

Broadly, the system consists of:

standards and technical regulations

conformity assessment

accreditation

A detailed guide to New Zealand's Standards and Conformance system can be found on the Ministry of Business Innovation and Employment's website <u>here.</u>

#### **Technical regulations and standards**

**Technical regulations** are documents which lay down product characteristics or their related processes and production methods, with which compliance is mandatory. **Standards**, on the other hand, are documents approved by a recognised body such as rules, guidelines or characteristics with which conformity is voluntary.

It is commonplace in New Zealand to incorporate or cite standards in legislation, thus making compliance mandatory. Standards otherwise have a strong compliance incentive in New Zealand, so conformity is essentially necessary if the product is to be successful on the New Zealand market, despite their voluntariness.

New Zealand has a relatively open economy so there are few technical regulations for goods. Where technical regulations are imposed, they are often in support of legitimate health and safety or consumer protection objectives. Common types of technical regulations in New Zealand are:

 Product Safety standards for higher risk products, such as certain children's toys and equipment, sunscreen, multipurpose ladders, medicines and medical devices, vehicles, and electrical and gas appliances. General information on mandatory product safety standards can be found <a href="here">here</a>.  Marking and Labelling requirements, whether for consumer protection objectives, for high-risk items such as medicines, medical devices, hazardous substances and waste, or to indicate energy performance ratings of specified household appliances (see below for more information on product labelling requirements).

#### **Good Regulatory Practice and technical regulations**

The EU-New Zealand FTA sets out agreed good regulatory practices promoting transparency and timely publication of information relating to the preparation, development, evaluation and review of regulatory measures, including technical regulations.

Chapter 22 on Good Regulatory Practice commits New Zealand and the EU to publish, at least on an annual basis, **planned major regulatory measures** that it reasonably expects to adopt within a year and, where possible, undertake **public consultations** in their preparation or development. While it is for the EU and New Zealand to determine for themselves what constitutes a major regulatory measure, it is considered that measures affecting a large percentage of trade or which have a disproportionate impact on importers would be covered.

For each of these measures, an **impact assessment** should be carried out and made publicly available. Impact assessments must include, where relevant, the potential social, economic and environmental impact of the proposed measure or its alternative options, such as any impacts on international trade and investment or impacts on SMEs. They must also identify and consider how the measure or its alternatives relate to relevant international standards, if any, including the reason for any divergence from those standards, where appropriate.

The TBT chapter goes beyond major regulatory measures and strongly encourages the carrying out of impact assessments for **all planned technical regulations that may have a significant impact on trade**. This also applies to conformity assessment procedures therein. Impact assessments must include an assessment of feasible and appropriate alternative options. Where the technical regulation **has a significant effect on trade**, persons of both the EU and New Zealand must be equally allowed to provide input through a public consultation process.

From time to time, the EU and New Zealand must also **review** their technical regulations. Positive consideration must be given to increasing convergence with relevant international standards, including taking into account new developments or changes that no longer necessitate divergences.

#### Good Regulatory Practice in New Zealand

In New Zealand, **regulatory impact assessments** must be carried out for any Government regulatory proposal that will result in the creation, amendment or repeal of legislation, unless an exemption applies. Impact assessments are carried out by Government agencies under the framework for Impact Analysis Requirements, which incorporate the Government Expectations for Good Regulatory Practice. Information on the framework can be found here.

Agencies are expected to provide robust analyses of the problem or policy objectives being addressed; the options and potential impacts; their costs, benefits and risks; the consultation undertaken; and the proposed arrangements for implementation and review.



Impact assessments must be published on the website of the responsible agency. They must also be published on the website of the New Zealand Treasury, where they can be found <u>here</u>.

Public consultation on regulatory changes is an important feature of the New Zealand governance system and **EU SMEs can participate in the review of legislative and policy changes**. Current consultations underway are listed <u>here</u>. Additional information on specific work streams under consultation can be found on the website of the responsible agency.

If legislative change is required then there will be a further opportunity to comment on the bill (i.e. draft legislation) considered by Parliament. Select Committees will usually ask for feedback from the public by calling for submissions. The bills open for submission can be found here.

#### **Conformity**

Conformity is the procedure used to determine whether a particular product, process or production method fulfils the requirements of a technical regulation or standard, usually undertaken by a Conformity Assessment Body (CAB). Unless preferential rules apply, conformity assessment will ordinarily take place in the importing country when third-party testing is required.

The <u>EU-New Zealand Mutual Recognition Agreement</u> (MRA) allows specific EU products that have been tested and certified in the EU to be placed on the New Zealand market without undergoing re-testing in New Zealand in order to meet New Zealand's regulatory requirements (and vice-versa). This is enabled through an agreement to accept attestations of conformity issued by designated CABs in each other's jurisdiction.

Products covered by the MRA cover the following areas:

- Good Manufacturing Practice for medicinal products.
- Medical devices.
- Telecommunications terminal equipment.
- Low voltage equipment.
- Electromagnetic compatibility.
- Machinery and pressure equipment.

Another method of demonstrating compliance is through a **Suppliers Declaration of Conformity**, or SDoC; a self-declaration by the manufacturer or authorised first party that the product conforms to or complies with the relevant standard or technical regulation.

Whether an SDoC will be required or accepted in New Zealand will depend on the specific regulatory requirements for particular products. New Zealand does not have a centralised list of those requirements; however, it will accept them for electrical equipment that are gazetted as medium or high risk and radio spectrum products. In some instances in New Zealand, an SDoC for certain medium risk products must be accompanied by a test report or certificate of conformity.

In general in New Zealand, an SDoC must:

- contain a detailed product description;
- ✓ include a signed and dated declaration that the product complies with the relevant New Zealand regulatory requirements (and state what those requirements are);

- ✓ contain the contact details and physical address of the New Zealand importer of the product; and
- confirm that the person signing the SDoC has seen evidence supporting the product's compliance with the relevant regulatory requirement.

Where accompanying test reports are required, the SDoC must also include details of the relevant regulatory requirement the product complies with, contain the contact details of the testing body and include the supporting documents.

#### Conformity assessment in the EU-New Zealand Free Trade Agreement

Annex 9-A of the EU-New Zealand FTA provides a detailed list of the fields to which preferential conformity assessment rules apply. These agreed fields are:

- safety aspects of electrical and electronic equipment;
- safety aspects of machinery;
- electromagnetic compatibility of equipment;
- energy efficiency including eco-design requirements; and
- restriction of the use of certain hazardous substances in electrical and electronic equipment.

For these fields, the EU accepts SDoCs for goods imported into the EU. Where New Zealand accepts SDoCs in these fields, they also must accept EU SDoCs. If, however, in these fields, New Zealand considers non-first-party conformity assessment necessary, it must accept certificates and test reports issued by EU-based CABs. Any introduction of requirements for mandatory third-party testing in these fields must be for legitimate objectives and must be proportionate.

Where a positive assurance of conformity is required for fields other than those specified in Annex 9-A, an SDoC must be accepted where

appropriate. Alternatively, another conformity assessment procedure proportionate to the risks involved, with preference

given to the use of international standards and agreements.

EU based business can use the European Commission's Access2Conformity tool to check the approved EU CABs who may test and certify their products for the New Zealand market.

The tool is available via the EU's
Access2Markets database, after selecting
the destination country and the product.
The list of EU CABs can also be consulted in
the EU's NANDO (New Approach Notified and
Designated Organisations) database.

As mentioned in section 2.3 of this SME Guide, the information on the Access2Markets database and it's associated tools, including Access2Conformity, is copyright protected and access is limited to users

logging on the portal from the EU terrritory. However, European companies'

offices outside of the EU can request access by filling in this contact form.

In accordance with the **Motor Vehicles Annex** (Annex 9-B), New Zealand will accept EU type approvals for motor vehicles, equipment and parts. In addition, both sides agreed to not prevent or restrict access to its market based on new technologies or features that are not yet regulated, unless there is a risk to human health, safety, the environment or transport infrastructure. In this case, the side taking action must notify the other of the reasons and grounds for the action.

#### **Product Labelling**

The TBT chapter contains new rules pertaining to **marking or labelling requirements**, aimed at ensuring that technical regulations shall be no more trade restrictive than necessary to achieve a legitimate objective. Where either the EU or New Zealand does require mandatory marking or labelling of products, they are required to observe a number of considerations:



- only requiring information relevant for consumers or users of the product or which indicate the product conforms to mandatory requirements;
- not requiring prior approval of the labelling as a precondition for placing on the market products that otherwise comply with the requirements;
- endeavouring to accept non-permanent or detachable labels, or marking or labelling in the accompanying documentation; and
- accepting that labelling take place in the importing Party as an alternative to labelling in the exporting Party.

Information in other languages and the inclusion of internationally accepted nomenclatures and other imagery shall also be permitted provided the labelling is not misleading or confusing to regulatory requirements. Additionally, where the legitimate objectives of the TBT Agreement are not compromised, both the EU and New Zealand try to accept stickers for marks and labels.

These considerations do not apply to marking or labelling of medicinal products and medical devices, as defined by the laws and regulations of the respective Parties.

#### Made in the EU

Under chapter 2 of the EU-New Zealand FTA, New Zealand agreed to accept the **origin mark** "Made in the EU" under conditions that are no less favourable than those applied to marks of origin of an EU Member State. This will apply to the <u>Consumer Information Standards</u> (Country of Origin (Clothing and Footwear) Labelling) Regulations 1992 and food listed in the <u>Consumer Information Standards</u> (Origin of Food) Regulations 2021.

With respect to the Consumer Information Standards (Origin of Food) Regulations, certain foods sold at retail are required to be accompanied by origin information; namely, food that is one type of fruit or vegetable, fish or seafood, or meat, that is fresh, frozen or thawed, and is no more than minimally processed. This also applies to cured pork.

Where frequent changes in origin occur that make it unreasonable to update the disclosure information, the Regulations permit the listing of all places of origin for all the products covered by the disclosure, accompanied by a statement making clear not all listed origins may be relevant to a particular item. For cured pork, this extends to place of slaughter.

Currently, EU suppliers of covered products must list all the relevant EU countries individually. **Under the EU-New Zealand FTA**, the single "Made in the EU" origin will apply instead, making it easier for EU businesses to comply with the Regulations.

New Zealand prohibits the importation of all goods bearing false information or including trademarks or signs likely to mislead or deceive consumers.

All goods sold are subject to **quantity labelling requirements** and must use one of the units of New Zealand's metric system when marking their net weight or measure as set out in the <u>Weights and Measure Regulations 1999.</u>

There are some specific labelling requirements for certain products:





**Clothing and Footwear:** labels must include details on care, country of origin, and fibre content as set out in the <u>Consumer Information Standards</u> (<u>Country of Origin</u> (<u>Clothing and Footwear</u>) <u>Labelling</u>) <u>Regulations 1992</u>. Under these standards, children's nightwear must also carry a fire hazard label to alert caregivers to the risk posed by the items' proximity to heat sources.



**Used motor vehicles:** require a Consumer Information Notice with the detailed requirements available <u>here</u>.



**Water efficiency:** applies to water-using equipment (e.g. washing machines and dishwashers), and requires labels to include information on their water consumption. Additional information is available here.



**Tobacco:** New Zealand requires that all tobacco products be sold in dark brown/green coloured packaging (same as in Ireland and France), with no company logos and the same font for all brands. New pictures and health warning must cover at least 75% of the front of the package, and the entire back. Information, including the relevant legislation, is available <a href="here.">here.</a>



**Medicines and Medical Devices:** under the <u>Medicines Regulations 1984</u> and the <u>Misuse of Drugs Regulations 1977.</u>



**Energy Efficiency:** required for certain household electrical appliances Under the Energy Efficiency (Energy Using Products) Regulations 2002.



**Hazardous substances and waste:** containers containing hazardous substances and hazardous waste must be labelled with the product or chemical name, or the nature of the waste, and the hazard pictogram and hazard statement consistent with its classification, under the <u>Health and Safety and Work (Hazardous Substances)</u>
Regulations 2017.

#### **SPS Requirements**

New Zealand's SPS system is regulated through a unitary set of legislation, comprehensively covering various aspects of SPS measures, including biosecurity, animal products, food products, and agricultural compounds and veterinary medicines. The <u>Food Safety Law Reform Act 2018</u> amended the <u>Animal Products Act 1999</u>, the <u>Food Act 2014</u>, and the <u>Wine Act 2003</u> to streamline the content and format of certain guiding documents and allow for the use of automated electronic systems for issuing export certificates.

Other relevant statutes that regulate New Zealand's sanitary and phytosanitary (SPS) framework include:

- Biosecurity Act 1993
- Agricultural Compounds and Veterinary Medicines Act 1997
- Dairy Industry Restructuring Act 2001
- National Animal Identification and Tracing (NAIT) Act 2012
- Hazardous Substances and New Organisms (HSNO) Act 1996

The <u>Ministry for Primary Industries (MPI)</u> is the main organisation that regulates imported food in New Zealand and takes the lead role in biosecurity matters (e.g. preventing unwanted pests and diseases from importation into New Zealand and controlling, managing or eradicating pests should they arrive).

The MPI unit, <u>Biosecurity New Zealand</u>, spearheads biosecurity protection. Under the Government Industry Agreement for Biosecurity Readiness and Response, MPI maintains collaborative arrangements with New Zealand industry to co-invest to manage biosecurity risks.

New Zealand is also an active participant in the **Codex Alimentarius**, signalling its commitment to international rules. New Zealand's risk based SPS regulations apply equally to imported and domestically produced food, animal, and plant products.<sup>8</sup>

New Zealand has strict biosecurity rules. Products have to comply with the agreed <a href="Import Health Standard (IHS)">Import Health Standard (IHS)</a> and origin in order to be imported into New Zealand. If an IHS has not been developed for an animal or plant product, it cannot be imported into New Zealand. The country also has specific provisions related to **traceability** and recall.



The detailed requirements for importing food are available <u>here.</u>

<u>Beyond biosecurity, Food Standards Australia New Zealand</u> is the regulatory body responsible for setting Joint Food Standards that governs the content and labelling of foods sold in both New Zealand and Australia. The standards also cover food composition, contaminants, and microbiological limits.

New Zealand has specific requirements that transcend the joint system, set out in The Food Act 2014. This Act establishes a risk-based food safety system that categorises food sectors according to risk thresholds. For food categories attracting a higher risk, food safety clearance requirements must be met before the product can enter the New Zealand market. These are additional to any biosecurity or Customs import requirements.

In many instances the food may require sampling and testing upon arrival in New Zealand, or it may be prohibited from entry. However, imports from listed countries may be permitted with accepted documentation such as an official certificate from the exporting country's competent authority instead.

New Zealand has identified the following food products as having **high or increased regulatory risk** and for which the EU is a listed country, thereby permitting importation provided the requirements are met. Details on the required certificates and clearances are available <u>here</u>.

- Bovine meat and bovine meat products.
- Raw milk products.
- Fresh cheese, curd cheese and soft cheese (pasteurised).
- Fish histamine susceptible fish and fish products, smoked fish.
- Fermented meat products, pâté, meat paste.
- Tahini and other crushed sesame seed products.
- Seafood Ready-to-eat crustaceans, including shrimps, prawns, lobsters, crabs and Moreton Bay bugs, and food that contains such products; bivalve molluscan shellfish (BMS) (except scallops that are adductor muscle only), and food that contains BMS; scallops.
- Spices pepper, chilli, paprika.
- Frozen berries.

To avoid delays to your consignments, it is important that you:

- ✓ Are registered as a food importer with MPI or are using an MPI-registered food importer.
- ✓ Verify that the product from that origin can be imported into New Zealand.
- ✓ Use the Customs Client Code that is linked with your MPI Food Importer registration.
- Correctly declare the intended use of the food you are importing.

#### 2.7 Sustainable Food Systems and Animal Welfare

The EU-New Zealand FTA has dedicated chapters on **Sustainable Food Systems and Animal Welfare**, which address a number of aspects that may impact or benefit EU SMEs and farmers:

- The EU and New Zealand have affirmed that their respective welfare standards and associated systems provide comparable animal welfare outcomes, despite substantive differences in their farming practices.
- The EU and New Zealand have also agreed to cooperate more closely to develop and implement scientifically-based animal welfare standards, including in relation to the treatment of animals on farm, during transport and at slaughter.
- The EU and New Zealand have committed in the SPS chapter to take initiatives to phase out the use of antimicrobial agents as growth promoters and to reduce the use of antimicrobial agents in animal production.



 Regarding sustainable food systems, the EU and New Zealand have agreed to cooperate on food loss and waste, pesticides and fertilisers, and ensuring the security and resilience of food supply chains.

#### 2.8 Trade Remedies

The EU-New Zealand FTA reaffirms the application of the **WTO Agreements on Anti-Dumping, Subsidies and Safeguards**, confirming the possibility of dealing with any unfair trade between the parties by using trade defence instruments. It includes additional, best-practice provisions to ensure any trade remedy action taken by either the EU or New Zealand are conducted fairly, robustly and transparently. This includes, for example, ensuring that anti-dumping duties are not applied where it would not be in the public interest, and providing for the 'lesser duty' rule to apply.

The <u>Trade (Anti-dumping and Countervailing Duties)</u> Act 1988 provides the legal basis for investigating dumping and subsidisation, and for the imposition of anti-dumping and countervailing duties in New Zealand.

Imported goods may be subject to **anti-dumping duties** if an anti-dumping
investigation shows that the export price of
the imported goods is lower than its normal
price, thereby causing or threatening to
cause material injury to the affected domestic
industry.

**Countervailing measures** may be applied where the subsidised goods imported into New Zealand cause substantial injury or threaten to cause material injury to the domestic industry.

The <u>Trade (Safeguards Measures) Act 2014</u> sets out the legal basis for safeguard measures, being measures applied in cases where **goods are excessively imported into New Zealand, causing serious damage or threatening to cause damage to the domestic industry**. The Act authorises the Commerce and Consumer Affairs Minister to impose separate provisional and final safeguard duties to allow safeguard action to be taken quickly. It includes criteria for determining whether the imposition of a safeguard measure is in the public interest, sets out the time-frame for completing a safeguard investigation within 75 working days, and allows safeguard duties to be refunded if the investigation finds the measures were not required.

## The EU-New Zealand FTA also establishes a bilateral transitional safeguard mechanism.

This will be able to be invoked during a **transitional period of seven years** from when the FTA comes into force and any bilateral transitional safeguard measure cannot be applied for longer than a total of three years (an initial two years, extendable by one further year). A bilateral transitional safeguard cannot be applied at the same time as any general safeguard adopted under the WTO Agreement on Safeguards.

The Trade and International team of the <u>Ministry of Business</u>, <u>Innovation and Employment (MBIE)</u> is in charge of the trade remedy investigation process (acceptance of a complaint by New Zealand producers, initiation of an investigation and the core investigation process).

Information is available <u>here</u> on current trade remedy investigations.

#### 2.9 Domestic Taxes

A **Goods and Services Tax (GST)** of 15% is applied to most goods and services in New Zealand under the Goods and Services Tax Act 1985.

Some transactions are subject to GST at 0% and are considered "zero-rated", including exports of goods and certain supplies of fine metal.

New Zealand applies **excise taxes** on imported and locally produced goods made of or containing:

- (i) alcohol and alcohol products;
- (ii) tobacco and tobacco products; and
- (iii) fuels such as motor spirit, compressed natural gas (CNG), and liquefied petroleum gas (LPG).

You must also **licence** the areas (Customs-controlled areas) where those products are made and stored.

The excise tax rates on alcohol and tobacco are reviewed annually.

Detailed information about excise, including the table of current excise duties, is available <a href="here.">here.</a>

#### 2.10 Domestic rules relating to Consumer Goods

Under the Consumer Guarantees Act 1993, goods sold to consumers in New Zealand should:

- Be of acceptable quality.
- Be fit for a particular purpose.
- Arrive on time and in good condition.
- Match the description.
- Be supported by available spare parts and repair facilities (by manufacturers or importers).9

If you make misleading representations about the consumers' rights under the Consumer Guarantees Act (or under any other law) you may breach the <u>Fair Trading Act 1986</u>.

<sup>9.</sup> Manufacturers or importers can legally opt out of this guarantee by giving you notice that spare parts and repairs will not be available or will be limited. https://www.consumerprotection.govt.nz/general-help/consumer-laws/consumer-guarantees-act/#:~:text=lf%20the%20retailer%20or%20 manufacturer,quality%20when%20you%20receive%20them.&text=Products%20must%20be%20fit%20for,the%20products%20were%20suitable%20for.

#### **3 EXPORTING SERVICES TO NEW ZEALAND**

Trade in services has seen a rapid expansion in recent years, as advances in technology make crossborder tradability easier and global consumption patterns change how businesses do business.

The EU-New Zealand Free Trade Agreement ('FTA') therefore seeks to stabilise and improve conditions for trading services between the EU and New Zealand.

#### 3.1 Benefits of the EU-New Zealand Free Trade Agreement

The EU-New Zealand FTA builds upon existing international commitments and expands opportunities for EU and New Zealand services suppliers to supply their services abroad.

The FTA aims to provide service suppliers with **stability and certainty** when accessing the other's market.

- It guarantees that European service suppliers are able to establish an enterprise in New Zealand in order to supply the vast majority of services on an **equal footing** with domestic service suppliers, as well as those from another country.
- EU service suppliers will **not be required to have local presence** (i.e. a representative office or form of enterprise such as a branch) in New Zealand in order to supply those services where New Zealand has undertaken commitments to allow the supply of a service on a cross-border basis.

 The EU and New Zealand have undertaken substantial commitments applicable to most service sectors **not to impose quantitative restrictions**, including on the number of service suppliers, the total value of service transactions, or the total number of service operations, including by way of requiring an economic needs test in order to supply a particular service.

The FTA will also **improve regulatory conditions** for services suppliers.

- The EU and New Zealand have committed to facilitate the provision of professional services by encouraging mutual recognition of professional qualifications.
- Both the EU and New Zealand must ensure clear, transparent, fair, and timely processes for service suppliers to acquire the licenses or qualifications necessary to supply their services. This includes endeavouring to accept electronic applications and accepting copies of authenticated documents in place of originals where possible.
- Government agencies are encouraged to charge reasonable fees for any such applications.



The FTA will facilitate the supply of services by EU enterprises to New Zealand in a range of sectors, including delivery, telecommunications, maritime transport and financial services.

telecommunications
suppliers will benefit
from non-discriminatory
procedures for the
allocation and granting
of rights of use of scarce
resources in New Zealand,
including radio frequency
spectrum (such as
4G and 5G).

Unless a reservation applies, EU suppliers of **financial services** established in New Zealand will be able to supply any financial service that is new to New Zealand if it can supply that service in the EU and it is permissible under New Zealand law.

EU-flagged or EU supplieroperated **vessels** will be able
to access and use New Zealand
ports on a commercial and nondiscriminatory basis where no
reservation has been specified,
on conditions no less favourable
than those accorded to New
Zealand vessels. This includes
for feeder services, subject to
authorisation.

#### **Market Access Commitments**

The EU and New Zealand have placed certain restrictions in relation to the obligations set out above that may limit the supply of cross-border services or the right to establish an enterprise. These are known as "reservations", or non-conforming measures. These can be found in the respective <u>Schedules</u> of the EU and New Zealand under Annex 10-A and 10B of the FTA.

If a reservation is specified for an **existing measure** (i.e. currently applicable laws, regulations or rules), a more restrictive measure cannot be imposed at a future date (known as a "standstill"). If that reservation is removed or partially lifted in future, it cannot later be reimposed (known as "ratcheting"). Hence the **progressive liberalisation of services trade will be ensured in the future between the EU and New Zealand**.

#### **Services Schedules Explained**

In trade agreements, services trade commitments and reservations are inscribed in Schedules. Two different techniques can be used to do this.



The first is a **positive list** approach, where a trade partner has to explicitly list those sectors and subsectors in which it undertakes commitments, such as equal treatment of services suppliers. Possible reservations or conditions that apply to the commitments to the listed sectors or subsectors are then included.



The second is a **negative list**, where trade partners only list those sectors or sub-sectors where they are not taking full commitments, with any restrictions, or reservation of policy space explicitly listed. If a reservation is not listed, the trade partner must comply with all their obligations without restriction.

The EU-New Zealand FTA uses a negative list approach.

A limited number of services sectors/ subsectors have been excluded from the FTA, namely:

 Air services or related services in support of air services (other than aircraft repair and maintenance services; computer reservation system (CRS) services; ground handling services; the selling and marketing of air transport services; and the following services provided using a manned aircraft, whose primary purpose is not the transportation of goods or passengers: aerial fire-fighting; flight training; spraying; surveying; mapping; photography; aviation adventure services; and other airborne agricultural, industrial and inspection services).



- Audio-visual services.
- National maritime cabotage.

#### **Movement of Natural Persons**

The EU-New Zealand FTA includes commitments on the cross-border movement of services suppliers into the territory of the other Party, for business purposes. This includes procedural commitments facilitating cross-border movement, such as transparency of entry conditions and expeditious processing of visa applications. New Zealand offers a range of visa options for EU suppliers of services in New Zealand, which can be found here.

The EU and New Zealand have made commitments to allow the following specific categories of service suppliers to enter and temporarily supply their services through a physical presence in the territory of the other Party:

- **Intra-corporate transferees** an executive, manager or specialist transferred by their companies to perform specific roles who will be eligible for initial periods of stay of up to three years.
- **Independent professionals** a self-employed business person with advanced technical or professional skills, providing services under contract in certain professional services sectors, subject to certain safeguards. Independent professionals will be eligible for periods of stay of up to 12 months.
- **Business visitors** business persons conducting certain specified activities, including in relation to establishment of a business enterprise or investment, and installers and services whose services are required as part of a contract to supply equipment. Business visitors will be eligible for periods of stay of up to 90 days in every 12 consecutive months.
- **Contractual service suppliers** business persons providing services under contract in certain designated services sectors, subject to certain safeguards. Contractual service suppliers will be eligible for periods of stay of up to 12 months.

Partners and dependent children accompanying an EU intra-corporate transferee will also now be able to enter and temporarily stay in New Zealand.

#### 3.2 Providing services in New Zealand

#### Ways that you can supply services to New Zealand

The WTO General Agreement on Trade in Services sets out four ways in which services can be traded, known as "Modes of Supply". From the perspective of an 'importing' country, in this case New Zealand, you can supply services in the following ways:

#### Mode 1: Cross-border

A user in New Zealand receives services from abroad, notably through its telecommunications or postal infrastructure. Such supplies may include consultancy or market research reports, tele-medical advice, distance training, or architectural drawings.

#### Mode 2: Consumption abroad

Nationals of New Zealand have travelled abroad as tourists, students, or patients to consume the respective services.

#### **Mode 3:** Commercial presence

The service is provided within New Zealand by a locally-established affiliate, subsidiary, or representative office of a foreign-owned and controlled company (bank, hotel group, construction company, etc.).

#### Mode 4: Movement of natural persons

A foreign national travels to provide a service on a temporary basis within New Zealand as a contractor or an independent supplier (e.g., consultant, health worker) or an employee of a service supplier (e.g. consultancy firm, hospital, construction company). <sup>10</sup>

New Zealand offers a wide range of **visa options** for EU service providers working in the country. The list of current options is available <u>here</u>. It includes sector specific options (e.g. transport, care), skilled workers, working holidays, work exchange and options for partners.

Refer to Section 1.3 of this SME Guide for information on visiting New Zealand for business purposes.

Requirements for **licenses** and **professional qualifications** vary from sector to sector.

For example, licenses are required to provide **financial services**, including insurance, banking and auditing. Information is available <u>here</u>.

Licenses are also required to operate **mobile telephone services**. Information is available <u>here</u>.

An EU **lawyer** can obtain a certificate to practice New Zealand law after fulfilling certain requirements set out in the <u>Lawyers and Conveyancers</u> <u>Act 2006</u>. Common questions about overseas lawyers practicing in New Zealand are answered here.

To work as a **chartered accountant** in <u>New Zealand</u>, a local certification from New Zealand or Australia is required.

To **practice medicine** in New Zealand, registration with the <u>Medical Council of New Zealand</u> is required.



The New Zealand Commerce Commission specifically regulates businesses from the grocery, telecommunications, electricity, gas, and airport services sectors in New Zealand. Information on regulated sectors is available <a href="here">here</a>.

#### **Quality of Services**

New Zealand's fair trading and consumer laws, referred to Section 2.10, and competition policy, as outlined in Section 8.2, apply to trade in services.

For example, under the <u>Consumer Guarantee Act 1993</u>, services should be:

- Carried out with reasonable care and skill.
- Fit for a particular purpose.
- Carried out in a reasonable time.
- Charged for at a reasonable price.

#### **4 DIGITAL TRADE**

The rapid rise and expansion of e-services and e-commerce platforms promises new opportunities for business and consumers. Digital services make up a large and growing part of the New Zealand economy, providing immense opportunities for EU businesses and digital services suppliers.

#### 4.1 Benefits of the EU-New Zealand Free Trade Agreement

Chapter 12 of the EU-New Zealand Free Trade Agreement ('FTA') **facilitates digital trade by addressing unjustified barriers and ensuring an open, secure and trustworthy online environment for businesses and consumers, along with high standards of personal data protection.** 

It notably prohibits data localisation requirements, while preserving the EU's policy space regarding the protection of personal data.

The chapter on Digital Trade covers the following main areas:

Provisions to facilitate trade through digital means, such as those aimed at promoting paperless trading, facilitating use of e-contracts, e-invoicing and e-authentication, prohibiting the imposition of customs duties on electronic transmissions, and facilitating the free flow of data.

Protections for the rights and interests of businesses and consumers, such as those designed to provide consumer protection in the online environment and address unsolicited commercial electronic messages.

Provisions that provide protection for source code from arbitrary disclosure, alongside safeguards for circumstances where there is a regulatory requirement for inspection and examination by government authorities, including where there is a concern that discrimination or bias might arise.

It also contains important safeguards to ensure the EU and New Zealand are able to regulate in the public interest, as well as providing for cooperation between the Parties on regulatory matters in the context of digital trade. In addition it guarantees New Zealand the policy space to regulate to protect Māori rights and interests in digital metters.

The EU and New Zealand will also share best practices on e-invoicing and digital procurement systems.

#### 4.2 Digital Trade in New Zealand

#### E-commerce: Digital Trade of Goods

The e-commerce market in New Zealand has been expanding at a steady rate and is among the **top 50** in **the world** based on the value of business to consumer sales in 2023.<sup>11</sup>



In addition to a number of local and Australian retail platforms, global platforms like Amazon, Temu and Shein, are becoming increasingly popular with New Zealand consumers.

According to the <u>New Zealand Post Office eCommerce Insights</u>, around 10% of retail spending is online in New Zealand and 73% of that spending is with local businesses in 2023.

#### **Digital Services Trade**

In 2020, the OECD estimated that the total value of digitally deliverable services imported by New Zealand was USD 4.394bn.<sup>12</sup> This included:

- Telecommunications, computer and information services.
- Insurance and pension services.
- Charges for the use of intellectual property.
- Financial services.
- Audio-visual and related services.



#### Digital Trade Overview Report: 31 July 2023

#### Commissioned by the New Zealand Ministry of Foreign Affairs and Trade

Weightless trade (trade in digital services) makes up a large and growing part of the New Zealand economy. According to WeCreate, the creative sector contributes NZD 17.5 billion to GDP. The New Zealand Game Developers Association claims that the interactive media and video game sectors earned NZD 407 million in 2022, of which only 3% of revenue came from domestic sales.

The tech sector in New Zealand exported NZD 8.6 billion in 2021, an increase of more than 10% from the previous year, and is expected to continue to grow. The weightless goods sectors also demonstrated strong resilience through COVID-19, while other sectors suffered from supply chain disruptions. After the pandemic, a report by the Ministry noted that computer and information services and intellectual property exports were more resilient during the pandemic than most other sectors, with revenue growing by almost NZD 600 million in 2021.

#### **Data Services**

The New Zealand **Infrastructure as a Service (laaS)** market grew 27.7% in 2021, to total NZD 576 million, according to a Gartner <u>report</u>.<sup>13</sup>

Spark's share of the market was 30.6%, followed by Amazon Web Services (28.3%), Microsoft (16.8%), Datacom (13.5%) and Google (4.5%). IBM is also active in the market.

In a report sponsored by Microsoft in November 2022, <u>Public Cloud Services Opportunities and Dividends to the Australian and New Zealand Economies</u>, it was reported that **public cloud adoption generated NZD 23.9 billion in new revenues** for New Zealand businesses in 2022 – around 6% of GDP. By 2026, cloud delivery is expected to add NZD 21 billion to the economy above this level and generate 134,000 new jobs as a result of new capabilities and growth.

Use of cloud-based technologies by SMEs in New Zealand, however, lags behind Australia and is about average for other OECD countries.

<sup>12.</sup> https://goingdigital.oecd.org/en/indicator/71

<sup>13.</sup> The Gartner report is available behind a paywall. The source for this quote is <a href="https://www.computerworld.com/article/3663049/nz-fry-up-spark-tops-nz-iaas-market-share-ufb-pips-australia-s-nbn-2degrees-vocus-nz-merge-datacom.html">https://www.computerworld.com/article/3663049/nz-fry-up-spark-tops-nz-iaas-market-share-ufb-pips-australia-s-nbn-2degrees-vocus-nz-merge-datacom.html</a>

"The basic rate of cloud adoption in New Zealand, such as the use of webbased email services or cloud-based storage, sat at just 40%. Meanwhile, intermediate adoption, with the use of customer relationship management or enterprise resource planning tools, is 28%, and advanced adoption with the use of generative AI and machine learning is 13%."

 $Source: \underline{https://www.stuff.co.nz/business/133126123/research-on-the-economic-impact-of-cloud-businesses-shows-nz-lagging-behind-global-adoption-rate}$ 

A study by Amazon Web Services in 2023<sup>14</sup> found that **there are considerable benefits to be gained for SMEs through increased use of cloud-based technologies in New Zealand,** including for productivity.

Since 2020 there has been a boom in the establishment of local data centres in New Zealand. This includes investments announced by Microsoft, CDC Data Services, Amazon Web Services, Datagrid, Lake Parime, DCI Data Centres and T4 Group.

"Strong growth in the internet economy, continued migration to the cloud and rising awareness of data localisation is fuelling projected growth of [the New Zealand] data centre market, with a potential increase of +300% in market size from 2020 to 2030." 15

#### 4.3 Rules governing digital trade in New Zealand

A company selling online in New Zealand needs to abide by the relevant laws that are applicable to all sellers of goods and services.

#### Company registration

All companies selling in New Zealand, including online, need to be registered with the New Zealand Companies Office. Step by step guidance on incorporating a company in New Zealand is available <a href="https://example.com/here">here</a>. See section 6.2 for information on how to register your business and your obligations as a business.

#### Consumer protection

The <u>Fair Trading Act 1986</u> applies if you advertise or sell to New Zealand consumers online, even if you are based outside of New Zealand. If consumers can purchase goods and services from you online, you must also make it clear that you are <u>in trade</u>. This is so that consumers know they are protected under the Fair Trading Act, including against misleading and deceptive conduct in trade, and the <u>Consumer Guarantees Act 1993</u>, which legislates minimum guarantees that apply to all products and services. See section 2.10 for more information.



#### Data privacy and protection

If your business deals with personal information, including financial details, then you will need a **privacy policy** that sets out how customers' personal data is handled. New Zealand privacy law (Privacy Act 2020) requires you to set out what information is collected and for what purpose.

Specific privacy codes of practice are in place for the following industries:



**Finance services** - <u>Credit Reporting Privacy Code</u> and <u>Superannuation Schemes Unique</u> Identifier Code.



**Health** - <u>Health Information Privacy Code</u>.



**Telecommunications** - <u>Telecommunications Information Privacy Code</u>.

There are additional codes that cover government activities - the <u>Civil Defence National Emergencies</u> (<u>Information Sharing</u>) <u>Code</u> and the <u>Justice Sector Unique Identifier Code</u>.

If there is a serious privacy **breach of data** collected in New Zealand then this must be notified to the Privacy Commissioner. <u>NotifyUs</u> is an online tool that works out if a breach is serious and allows the breach to be reported.

New Zealand has received an <u>adequacy decision</u> from the European Commission that indicates it offers an **adequate level of data protection**. In practice this allows for the flow of personal data between the EU and New Zealand without additional safeguards.

The <u>Digital Identity Services Trust Framework Act 2023</u> has been enacted but is not yet in force. The Framework establishes rules to protect the privacy and security of people's information when it is shared within the trusted environment. It is based on the key principle of **consent to store and share data**. More information is available here.

Work is underway to establish a **consumer data right** in New Zealand. From a business perspective, this could require customer data to be shared with other businesses, at the customer's request, and to be available in formats that can be automatically read and processed by a computer. More information on this work is available here.

More information on data management for companies operating in New Zealand can be found here.

#### Data storage

With regards to data storage requirements, under the Privacy Act 2020, a company must do everything reasonably possible to keep information safe. The more sensitive the information, the more security measures need to be taken e.g. for addresses and other personal information collected.

# Generally data can be stored either in New Zealand or overseas. There are exceptions for banks and the government, which are required to store some sensitive data locally.

There are also sensitivities with respect to the use and storage of **Māori data**. Māori consider their data a taonga and <u>Te Mana Raraunga Māori Data Sovereignty Network</u>, a group that advocates for Māori data rights, believes Māori data should be stored in New Zealand where possible.

**Data sovereignty** can be complex to determine and will depend on many specific business practices, including where the data is created and collected, where it is stored, the ownership of the storage facilities etc. If issues related to data sovereignty arise it is recommended that independent legal advice is sought.

#### Electronic marketing

New Zealand has a spam law in the <u>Unsolicited Electronic Messages Act 2007</u>.

The purposes of this Act are to:

- prohibit unsolicited commercial electronic messages with a New Zealand link (i.e. messages sent to, from, or within New Zealand);
- require commercial electronic messages to include accurate information about the person who authorised the sending of the message;
- prohibit address-harvesting software being used to create address lists for sending unsolicited commercial electronic messages; and
- deter people from using information and communication technologies inappropriately.

The Act is also intended to encourage good direct marketing practice by:

- requiring electronic messages to contain a functioning unsubscribe facility to enable the recipient to instruct the sender that no further messages are to be sent to the recipient;
- ensuring electronic messages are sent only to customers who have consented to receiving it; and
- restricting the use of address-harvesting software.

More information on the spam law is available here.

#### **Electronic signatures and transactions**

Under the <u>Contract and Commercial Law Act 2017</u> and <u>Contract and Commercial Law (Electronic Transactions)</u> Regulations 2017 there are a number of rules and obligations relevant to SMEs engaging in digital trade in New Zealand. These include:

- Some electronic information has the same legal status as paper-based information, allowing for the acceptance of business terms and conditions online and the amendment of a contract by email.
- **E-signatures** are acceptable for contracts, except for the sale of land, wills and powers of attorney, or if specified otherwise. To be reliable, an e-signature must be connected to the person who is signing and that person must have sole control of the method used to create the signature. Changes made after using an e-signature must be detectable.
- Rules to determine the time of electronic communications and when contracts are entered into.



In addition to the New Zealand laws mentioned elsewhere in this chapter, other New Zealand legislation that is relevant to the implementation of chapter 12 of the EU-New Zealand FTA include:

- Goods and Services Tax Act 1985
- Evidence Act 2006
- Copyright Act 1994 & Copyright (General Matters) Regulations 1995
- Telecommunications (Interception Capability and Security) Act 2013

### **E-Commerce Platforms: Payments**

**Credit and debit cards** are the most common payment methods in New Zealand. There are some platforms, like TradeMe, where **direct bank transfer** and even **cash on delivery** are still options. Gift cards, pre-paid cards, Q card and Prezzy cards are also options offered on some sites. PayPal is used in New Zealand to a limited extent and there is increasing adoption of lay-buy or 'buy now pay later' options by consumers via companies such as AfterPay, Humm, Genoapay, Ziip and Laybuy.

To accept credit card payments online, you will need a **merchant account** from your bank. For this to work, you'll also need a relationship with a payment gateway provider, who needs to integrate with your website. Both the bank and payment gateway provider are likely to charge fees.

New Zealand banks offer payment gateways. The following are other common options used in New Zealand:

- Paystation (TradeMe)
- Windcave
- Bambora
- Stripe
- POLi
- Account2Account

### E-Commerce Platforms: Returns

Each e-commerce website or platform will have its own returns policy but this is **normally 30 days in New Zealand**. There is no right to return if the consumer changes their mind, except for **cooling off periods** of 5 working day for credit contracts and door to door sales.

Under the <u>Consumer Guarantees Act 1993</u>, it is the choice of the business to replace or refund if there is a fault in the item sold. If the fault is minor then a repair option can also be offered. The business must remedy the fault within a reasonable time, provided the business is made aware of the fault within a reasonable time.

More information targeted at consumers is available <u>here</u>.

### E-Commerce Platforms: Inspection and Quarantine

Goods ordered across borders via e-commerce are treated, on importation to New Zealand, the same as consignments initiated through other means. Refer to section 2.5 above.





## **5 INTELLECTUAL PROPERTY RIGHTS**

#### **New Zealand Domestic Intellectual Property Law** 5.1

New Zealand has a strong intellectual property rights system in place. There has been recent reform of the New Zealand legislation protecting intellectual property (IP) rights, including to ensure compliance with international obligations under trade agreements like the EU-New Zealand Free Trade Agreement ('FTA').

New Zealand law provides comprehensive protection for the following IP rights:

- **Copyright** of original literary, artistic, dramatic or musical works plus other protected works, such as films, sound recordings and software. The current legislation is found in the <u>Copyright Act 1994</u>. Note that it is currently undergoing review. Information on copyright protection in New Zealand can be found <a href="here">here</a>, whereas information on the Copyright review can be found here.
- Trade marks on a registered sign, logo, colour, smell, sound or shape that represents a business are protected under the Trade Marks Act 2002, the Fair Trading Act 1986 and the common law action against passing off.
- Patents are protected by the Patents Act 2013.
- **Registered designs** are protected under the Designs Act 1953. This can be in addition to other protection, such as copyright or trade mark.
- The **domain name** '.nz' is regulated by the <u>Domain Name Commissioner</u> and allocated on a first come, first-served basis.
- Plant varieties are protected under a modern regime set out in the Plant Variety Rights Act 2022.
- **Geographical Indications (GIs)** for wines and spirits are protected specifically under the Geographical Indications (Wines and Spirits) Registration Act 2006, amended in 2016. There is also more general protection available under the <u>Fair Trading Act 1986</u> and the tort of passing off. Amendments to the GI system in New Zealand are anticipated, in order to ensure implementation of obligations under the EU-New Zealand FTA.
- Circuit layouts and integrated circuits have a specific copyright-style protection regime under the Layout Designs Act 1994.

There is also protection available for trade secrets and confidential information, even if not specifically covered by a contract under a duty of confidence. More information on protecting trade secrets can be found here.



Controls on **unfair competition and misrepresentation** can also assist in protecting IP rights in New Zealand. Relevant legislation includes the <u>Fair Trading Act 1986</u> and the <u>Commerce Act 1986</u>. It is important to note that enforcement of IP rights by businesses with **substantial market power** is prohibited if it has the purpose and/or effect of substantially lessening competition.

**Ambush marketing** that undermines official events, which carries a real risk of IP infringement, is prohibited under the <u>Major Events Management Act 2007</u>.

## 5.2 Benefits of the EU-New Zealand Free Trade Agreement

Chapter 18 of the EU-New Zealand FTA sets out provisions on Intellectual Property (IP). It ensures an adequate and effective level of protection and enforcement of IP rights to support trade between the EU and New Zealand and affirms or builds upon other existing international commitments of the EU and New Zealand.

The chapter covers the range of IP protection already included in New Zealand's domestic regime as described above. The following are those areas where New Zealand has agreed to extend or amend protection under the FTA with the EU.



### **Industrial Designs**

New Zealand protects "the new or original features of shape, configuration, pattern or ornament applied to an article by any industrial process or means". Registration of an industrial design protects the external appearance of an article. More information on the protection of industrial designs is available <u>here</u>.

Under the EU-New Zealand FTA, New Zealand has committed to make "all reasonable efforts" to ratify or accede to the <u>Hague Agreement Concerning the International Registration of Industrial Designs</u>. <sup>16</sup> This Agreement sets up a mechanism for an industrial design to be **registered in multiple countries with a single application** to the World Intellectual Property Organization.



### **Extended Copyright protection**

Copyright automatically applies in New Zealand from a specific point in the lifespan of the work or its author and for a set duration of time depending on the category of the work. For literary, dramatic, musical and artistic works, the copyright applies from when the work is created, and lasts for the **author's lifetime plus 50 years after author's death** under current legislation. Copyright in other types of private works is

based upon the date of creation, publication, performance or commercialisation, and has a duration of up to 50 years from that date.

Under the EU-New Zealand FTA, New Zealand will have to amend the <u>Copyright Act 1994</u> to provide for the rights of an author to run for **their life and for 70 years after their death**. This will require an extension of the copyright term by 20 years from the current 50 years, for the relevant categories. This amendment has to be made within four years of the FTA entering into force.



### **Resale Right for Authors of Graphic or Plastic Art**

New Zealand has recently enacted the <u>Resale Right for Visual Artists Act 2023</u> as required under Article 18.14 of the EU-New Zealand FTA. It establishes a resale **royalty right of 5% on resales** of original visual artworks between NZD 500 - 5,000. It covers original works of graphic or plastic art.

### **Geographical Indications**

A GI is an indication that identifies a good as originating in a given territory (a country, region or locality) where a given quality, reputation or other characteristic of the good is essentially attributable to its geographical origin.

The embodiment of such qualities attributable to a particular place of origin ensures that good cannot be obtained or produced elsewhere, which in turn **adds economic and reputational value** to that good and its producers. By establishing an intellectual property right in a good's name, producers are able to **better market their products** and obtain a premium price. They are also **protected against misappropriation or false representation** of the protected name, while **consumers are empowered** to trust and distinguish high quality and authentic products.

The current protection regime for Geographical Indications in New Zealand is provided by:

- the Fair Trading Act 1986;
- the common law tort of 'passing off';
- trade mark law; and
- more specifically for wines and spirits, a higher level of protection is available if registered under the <u>Geographical Indications (Wine and Spirits)</u> Registration Act 2006 as set out in the accompanying Geographical Indications (Wines and Spirits) Registration Regulations 2017.

Under the **Geographical Indications (Wine and Spirits) Registration Act 2006**, registered GIs are protected against commercial use of a GI, in addition to protection against misleading use and unfair competition.

This applies even where the true origin of the product is indicated, the GI is used in translation or the GI is accompanied by expressions such as 'kind', 'type', 'style', 'imitation' or the like.

Misleading use includes the use of symbols, flags or imagery that suggest a "false" geographical origin.

The Act allows for both domestic and foreign GIs to be registered in New Zealand. The register of both registered and applied for GIs in New Zealand is available <a href="here">here</a>. Registration lasts for a period of five years commencing from the date of application, with a possibility of renewal after that time. There is no prohibition on the number of renewals that can occur for any given GI. A renewed registration is effective for a period of 10 years commencing on the expiry date of the previous registration.

The New Zealand GI regime is administered by the <u>Intellectual Property Office of New Zealand</u> (<u>IPONZ</u>). Further information is available from the New Zealand Ministry of Business, Innovation and Employment's website <u>here.</u>

The protection of GIs in the EU goes beyond wines and spirits to also include food products and other beverages. Additionally, the EU also provides stronger protection against commercial use, including protection against evocation and the use of a GI in transliteration. GIs in the EU are protected under one of three categories of GIs: Protected Denomination of Origin (where the product has been entirely produced in the region of origin), Protected Geographical Indication (where at least one stage of production, processing or preparation takes place in the region of origin), or Traditional Specialties Guaranteed (for products characterised by a traditional composition or method of production or processing).

Geographical Indications protected in the EU can be found on the eAmbrosia register <u>here</u>. New Zealand GIs to be protected in the EU under the EU-New Zealand FTA will be added to the database once the FTA enters into force.

### Geographical Indications in the EU-New Zealand Free Trade Agreement

The EU-New Zealand FTA will protect an agreed list of EU GIs in New Zealand and an agreed list of New Zealand GIs in the EU. This is the first time that New Zealand has committed to protecting GIs bilaterally and without requiring an application for registration by rights-holders.

New Zealand's legislation already envisages the protection of GIs though trade agreements and sets out the legal process that must be taken by the New Zealand Government to add such GIs, including EU GIs listed in the EU-New Zealand FTA, to the New Zealand GI register. This must be done before entry into force of the FTA.

New Zealand has also agreed to **extend the scope of protection** by committing to protect against the commercial use of GIs in **transliteration**.

Under the EU-New Zealand FTA, **New Zealand has agreed, for the first time, to protect GIs other than wines and spirits**. This applies only to the agreed list of EU GIs. Significantly, 163 renowned EU food GIs, such as Asiago, Comté, Queso Manchego, Istarski pršut, Lübecker Marzipan, and Elia Kalamatas will be protected in New Zealand, in addition to EU beverages such as České pivo and Bayerisches Bier. The level of protection for agreed EU foodstuffs and other beverages in New Zealand will be the same as that provided for wines and spirits. For example, no-one will be allowed to call cheese 'Roquefort' in New Zealand unless it is the genuine cheese made in Roquefort, France, under specific production conditions.

In addition, the FTA will protect the full list of EU wines and spirits (close to 2000 names), such as Prosecco, Polish Vodka, Rioja, Champagne and Tokaji.

CHAMPAGAR

PROSECCO

NER

FEL

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PROSE

Some EU GIs will be **grandfathered** in New Zealand whilst others will be **phased-out** over a period of five or nine years. After these periods end, the use of these terms for non-genuine GI products will no longer be permitted in New Zealand.

### **PRIOR USERS ONLY**

Prior users will retain the ability to use the terms 'Gruyère' and 'Parmesan', while new producers will be prevented from using those terms.

### **FIVE YEARS**

The terms 'Bayerisches Bier', 'Münchener Bier', 'Jerez (Sherry)', 'Gorgonzola', 'Grappa', 'Prosecco' and 'Madeira' will be phased out over a period of five years.

### **NINE YEARS**

The phase-out period for 'Feta' and 'Port' is nine years.

The Agreement also foresees the opportunity to protect more GIs in the future.

The recognition and protection of EU GIs through the FTA will provide real benefits to European farmers, producers and exporters by helping them market their distinctive regional products in New Zealand. New Zealand consumers will in turn benefit from the reassurance that they are buying a genuine quality European product.

## 5.3 Registering Intellectual Property in New Zealand

The <u>New Zealand Intellectual Property Office</u> is responsible for the granting and registration of intellectual property rights in New Zealand. The below table briefly sets out practical information relevant to registration, including links to the different registration processes.

Type of IP protection	Description	Registration Process	Cost in NZD	Time to Process	Duration
Trade mark	Protects your logo, name and brand	Online process Steps to register are set out here	100 per class plus GST	Minimum 6 months	Lasts 10 years before renewal
Copyright	Protects original works	No registration or application process Can use copyright indicator © or appoint a licensing agency to protect rights More detail available here	Free	Automatic right	Varies across categories
Patent	Exclusive right for a new invention	Steps to apply for a patent are set out <u>here</u> Use of a patent attorney is recommended	250 plus GST	Minimum 6 months	Lasts up to 20 years
Designs	Protects the visual design of your product	Online process Steps to apply are set out <a href="https://example.com/here">here</a>	100 plus GST	Up to 6 months	Lasts up to 15 years
Plant Variety	Protects your specific plant variety	Online or international application More detail available <u>here</u> Only a breeder or successorin-title of a new variety, or their authorised agent, can apply for Plant Variety Rights	Minimum of 1,395 plus GST	1-5 years	Lasts 20-25 years
Geographical Indication	Protects against misappropriation or misuse of a term linked to a geographical origin	Online application, including supporting documentation Steps to apply are set out here	5,000	Minimum 6 months	Lasts 5 years before renewal. Renewal period of 10 years

Type of IP protection	Description	Registration Process	Cost in NZD	Time to Process	Duration
Company name registration	Maintains competitive advantage	Online process RealMe login account required Registration can be done here	Less than 200	Instantly available online	Valid as long as company is trading
Domain name registration	Helps ensure you have a presence on the internet	Registration can be done via an authorised domain name registrar listed <u>here</u> Check first if a domain name is already registered <u>here</u> or <u>here</u>	Less than 100 on average	Instantly available online	Available on 1-5 year plans
Trade secret	Maintains competitive advantage	No registration or application process Include confidentiality provisions in employment contracts	Generally free	Self-enforced	Valid as long as information is not disclosed

## 5.4 Enforcing Intellectual Property Rights in New Zealand

Intellectual property is **a private right.** Owners of intellectual property in New Zealand are generally responsible for monitoring its use and protecting against infringement.

If you identify an infringement then you may take action through the New Zealand courts. The courts have a wide range of **civil remedies** available to them to compensate wronged owners. These include:

- injunctions;
- orders for the infringer to pay either damages or account of profits; and
- orders to hand over infringing goods to right holders (called "delivery up").

Enforcement provisions are set out in the legislation protecting specific intellectual property.

It is expected that the **civil enforcement** of GIs will follow a similar process to that of Trade marks, including, in addition to the above, a remedy enabling the courts to order the removal of an infringing mark or GI from products and their packaging.

The EU-New Zealand FTA also requires a system for the **administrative enforcement** of Gls by a government agency, either on its own initiative or in response to a request from an interested person. This is not currently provided for under New Zealand law.

**Border control measures** can also be taken to protect trade mark and copyright (including industrial design) owners. This will be extended to GIs in accordance with the EU-New Zealand FTA. New Zealand Customs Service can detain suspected pirated and counterfeit goods at the border that are either being imported or are being trans-shipped through New Zealand.

More detail on enforcement of IP in New Zealand is available here.

## **6 INVESTMENT**

The EU is one of the biggest investors in New Zealand. In 2021, the EU was the second largest source of Foreign Direct Investment (FDI) in New Zealand, with stocks amounting to  $\le 9.3$  billion. In the same year, the stock of New Zealand's investment in the EU was  $\le 4.3$  billion.



## 6.1 Benefits of the EU-New Zealand Free Trade Agreement

The EU-New Zealand Free Trade Agreement ('FTA') aims to **promote investment between the EU** and New Zealand. It ensures **EU investors in New Zealand are treated the same way as New Zealand investors**, and will enable investors to establish their companies and operate them freely in each other's territory.

This will help deliver **secure and predictable conditions for investment** in both directions, with a view to supporting the growth and development of two-way investment between the EU and New Zealand.

The EU and New Zealand have made a number of commitments that go beyond general trading practice. With limited exceptions they:

- will not impose a number of specific conditions that would limit the ability of an investment to take place; and
- will not impose nationality requirements for specific key positions at companies owned by the other Party.

The EU and New Zealand have also committed to extending to each other any future opening of investment markets agreed in subsquent FTAs. **EU investors will automatically receive the same benefits that New Zealand extends to future trade partners**, future- proofing the FTA.

For certain investments, New Zealand imposes a monetary **screening threshold**. If this threshold applies, a foreign investor must apply for consent before they may invest. Under the EU-New Zealand FTA, New Zealand has **raised that threshold**, for non-governmental EU investors from NZD 100 million to NZD 200 million. This means that EU investors will be screened under the same conditions as other investors with whom New Zealand has concluded trade agreements.

The FTA does not include investor-state dispute settlement (ISDS). This means that a company cannot sue a Government before an international tribunal if it thinks its investment rights have been breached.

## 6.2 Investing in New Zealand

In accordance with the EU-New Zealand FTA, an investor is a natural person or a juridical person (i.e. corporate entity) that has established itself in the other Party, including through capital funding by way of shareholder ownership or the creation of a branch or representative office, with a view to creating or maintaining lasting economic links.

### **Company Structures and Registration in New Zealand**

If an overseas company is "carrying on business" in New Zealand, it is required to register with the New Zealand Companies Office.

The registration process and the appropriate Register will be dependent on how you want to manage your business in New Zealand. There are three ways you can do this:

- 1 Set your overseas company up as a New Zealand business (eq. via a branch);
- 2. Establish a subsidiary company; or
- 3. Transfer your company and its incorporation to New Zealand.

There are a number of different types of corporate entities that are used in New Zealand:



The <u>Companies Act 1993</u> governs corporate entities registered in New Zealand. It provides for the registration of companies, including rules relating to incorporation, company structure and shares; the applicable rules governing rights, obligations and duties of shareholders, directors and officers; administrative matters such as financial reporting, disclosures and other procedures; and rules relating to the registrar of companies.

**Part 2 of the Companies Act 1993** sets out the applicable rules for incorporation of a company in New Zealand. Section 10 lists the **essential requirements** a company must have, being:

- (a) a name;
- (b) 1 or more shares;
- (c) 1 or more shareholders, having limited or unlimited liability for the obligations of the company; and
- (d) 1 or more directors, of whom at least 1 must-
  - (i) live in New Zealand; or
  - (ii) live in an enforcement country and be a director of a body corporate that is incorporated in that enforcement country under a law that is equivalent to this Act.

Australia is currently the only recognised enforcement country.



Note that companies listed on the New Zealand Stock Exchange (NZX) must have at least three directors. At least two directors must be resident in New Zealand.

An application for registration must, under section 12, include:

- ✓ Full name, date and place of birth, residential address of every director.
- ✓ Full name and residential address of every shareholder.
- ✓ Signed consent forms for directors and shareholders.
- Reservation of the company name.
- Contact details for the company, including addresses for the registered office, service and correspondence. This includes a physical address and email address.
- ✓ The company constitution (articles of association), if there is one (common but not mandatory).

More information is available here.

A **branch office** will need to be registered with the New Zealand Companies Office but this does not mean it is incorporated as a separate legal entity under New Zealand law. Companies that are incorporated in another country and doing business in New Zealand are instead registered on the Overseas Register. The overseas company continues to contract and enter into transactions in its own right. It is also not required to have a nominated representative in New Zealand.

The registration process for a branch is available <u>here</u>. It requires:

1

Reservation of the company name.

2

Gathering required information, including contact details, date you started business in New Zealand, month when annual return will be filed, date selected for a balance date, certified copy of the certificate of incorporation from home country, director details and company constitution.

3

Submitting application online.

Ongoing obligations include the need to submit an **annual return** to confirm the correct details are registered and to notify any changes.

Registration of a branch must take place within 10 days of starting your business activity in New Zealand.



### 6.3 Business Tax in New Zealand

New Zealand has a broad-base tax system with few exemptions and concessions. There is **no comprehensive capital gains tax**.

Companies in New Zealand are **taxed at 28%**. Dividends are subject to tax in New Zealand and to **withholding tax** if paid to a non-resident.

A business is subject to tax in New Zealand if it is a **New Zealand tax resident**, has a **sufficient physical presence** here, or has **New Zealand sourced income**. Taxpayers must register with <u>Inland Revenue</u> and file an annual income tax return. This requires a **7-character Business Industry Code** that is available here.

To apply for a company Inland Revenue number you'll need to provide:

- a trading name for your company if it's different from your company name
- the address of your company's premises this defaults to your registered office, but you can choose another address if that's not your place of business
- a postal address for tax purposes
- a contact phone number daytime or evening phone number, or a mobile or fax number
- a contact person the name and phone number of the person responsible for your tax registration application
- confirmation of whether you will be offering fringe benefits to ordinary or shareholder employees –
  if you answer yes, you need to provide further details.

You will also need to confirm if you want to make a declaration to Inland Revenue that the company is non-active – this is the equivalent of filing an IR433 form confirming that the company meets the non-active criteria on incorporation and wishes to be excused from filing annual income tax and imputation returns.<sup>17</sup>

Businesses intending to employ people in New Zealand must also register with Inland Revenue <u>here</u>.

Tax returns can be filed online via the <u>myIR</u> platform. The standard tax return for a company is an IR4. More information is available <u>here</u>.

Corporate taxpayers will generally be required to pay a **provisional tax in three instalments over a year** (calculated by a method prescribed by Inland Revenue). Underpayments and late payments of tax may result in Inland Revenue charging interest or late payment penalties.

New Zealand imposes a **goods and services tax (GST) at a rate of 15%** of the value of supplies of goods and services in New Zealand (subject to certain exclusions) under the <u>Goods and Services Tax Act</u> 1985. This includes imported goods and services.



<sup>17.</sup> https://companies-register.companiesoffice.govt.nz/help-centre/starting-a-company/tax-registration/

Some transactions are subject to GST at 0% and are considered "zero-rated". Such transactions include exports of goods and services, certain business-to-business financial services, and certain supplies of fine metal.

**GST exemptions** include financial services that are not zero-rated (for example, business-to-consumer financial services), the supply of residential accommodation in a dwelling, and supplies of donated goods and services by non-profit bodies.

Taxpayers are required to register for GST and file regular returns if they supply (or expect to supply) goods or services to New Zealand consumers **worth more than NZD 60,000 a year.** This includes remote services such as digital content (e-books, movies, T.V. shows), apps, software, website publishing services, and legal, accounting, insurance or consultancy services.

More information on registering for GST if you have a New Zealand company can be found <u>here</u>. Information for an overseas or non-resident business is available <u>here</u>.

New Zealand follows **OECD rules and guidance on transfer pricing** and other tax matters, including Base Erosion and Profit Shifting.

New Zealand has <u>double taxation agreements</u> with some EU member states, including: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Spain and Sweden.

### 6.4 Access to Credit

New Zealand has a robust financial services sector that offers a range of different options for funding to SMEs, including:



Traditional banks



Peer to peer lenders



Crowdfunding platforms



Venture capital funds

The rate of non-performing loans and bankruptcy is relatively low in New Zealand, including for SMEs.

There are limited government-funded incentives available for SMEs in New Zealand, including for businesses in the <u>gaming sector</u>.

## 6.5 Travelling to New Zealand for Business

Citizens of all EU Member States may enter New Zealand to do business for **up to 3 months** without a visa. You must nevertheless apply for a **New Zealand Electronic Travel Authority** before traveling to New Zealand.

See section 1.3 for further information relating to New Zealand travel and visa requirements.

## 6.6 Special Rules for Foreign Investors

New Zealand welcomes sustainable and productive foreign investment that benefits the country. In most cases, investment can freely and easily occur. Some foreign investment can, however, pose risks. For these types of investments, consent from the New Zealand authorities will be required before the investment can take place.

New Zealand's investment screening regime is set out in the <u>Overseas Investment Act 2005</u>, supported by the <u>Overseas Investment Regulations 2005</u>.

Under the Overseas Investment Act, investments by overseas persons in "sensitive assets" generally require prior approval by the <u>Overseas Investment Office</u> and/or the Minister of Finance. These are investments in **sensitive land** or **significant business assets**. Consent is also required for overseas investment in fishing quota under the <u>Fisheries Act 1996</u>.

For **sensitive land**, this means land of a type or adjoining a type listed in the Act, where the acquisition relates to a freehold estate or an interest in either residential or non-residential land for a specified duration. For the acquisition of an interest in the securities of a person who owns or controls such land, a control test in 25% increments will apply.

For **significant business assets**, this means the acquisition of more than 25% ownership or control in a business, business assets or securities, where the value, expenditure or consideration exceeds NZD 100 million (screening threshold). It also means the establishment by an overseas person of a business in New Zealand that is carried on for at least 90 days in any year, if the establishment expenditure incurred exceeds the same screening threshold.

Under the EU-New Zealand FTA, the EU will benefit from a higher screening threshold than that currently applied to investments in significant business assets. **The threshold will be raised to NZD 200 million** for non-governmental EU investors putting EU investors on a level playing field with New Zealand's other main FTA partners.

### Investments in sensitive assets that require consent can include:

- Buying or acquiring the asset.
- Investing in the asset.
- Leasing for more than three or ten years.
- Acquiring shares or securities in an entity owning sensitive assets
- Initiating a takeover of the asset.

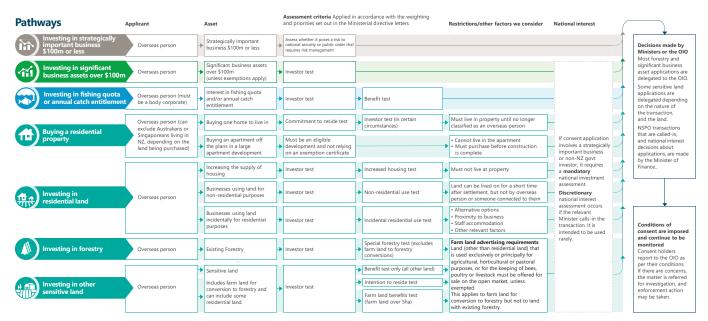
In addition, an overseas investor whose investment requires consent must satisfy the "Benefit to New Zealand" and the "Investor" tests.

The Overseas Investment Act sets out various economic criteria for determining what is of benefit to New Zealand, with a modified test applicable to investments in residential land, farmland and land used for forestry activities. The purpose of the investor test is to determine whether the investor poses a risk to New Zealand based on character and capability and is therefore unsuitable to own or control any sensitive New Zealand assets.

The New Zealand Government can also "call-in" certain overseas transactions which would not ordinarily require consent if it could pose a risk to national security or public order. Such transactions relate to strategically important businesses, which include businesses involved in critical infrastructure, the development or maintenance of military or dual-use technology, and critical direct suppliers to intelligence or security agencies.

Overseas investments can otherwise be declined if they are against New Zealand's national interest.

Guidance on the overseas investment regime in New Zealand is available <u>here</u>. A summary of the various consent pathways is presented in the diagram below.



 $Source: \underline{https://www.linz.govt.nz/sites/default/files/2022-08/Pathways\%20A3\_202208.pdf}$ 

Timeframes for the assessment of an application for consent will vary depending on the type of investment and consent pathway. Statutory timeframes range from 35 working days (for significant business assets) to 70 working days (for certain types of land) and 100 working days (for farm land).

# The filing fees range from NZD 38,000 to NZD 146,200 depending on the type and complexity of the transaction.

The Overseas Investment Office, part of Land Information New Zealand, monitors compliance with the overseas investment regime and takes enforcement action in the event of a breach. Offences under the Overseas Investment Act, including failing to obtain consent, are liable for a range of civil penalties and criminal fines.

## **7 PUBLIC PROCUREMENT**

Public procurement is the process by which public authorities purchase work, goods and services from companies. New Zealand's spending on government procurement contracts is estimated at NZD 51.5 billion each year, amounting to approximately 20% of GDP.<sup>18</sup>

20% of GDP

### 7.1 Benefits of the EU-New Zealand FTA

The EU-New Zealand Free Trade Agreement ('FTA') will **make it easier for EU businesses to bid for government contracts in New Zealand** through the opening of new market access opportunities and commitments to make the tendering process more transparent.

New Zealand has opened up its procurement market beyond market access commitments already taken under the World Trade Organisation Agreement on Government Procurement (WTO GPA). New commitments cover:

- One Central Government Agency (the Ministry of Housing and Urban Development);
- Fifty-three Crown Entities and Crown Entity Companies, including Callaghan Innovation, New Zealand Infrastructure Commission, the Pharmaceutical Management Agency, and New Zealand Growth Capital Partners Ltd; and
- Ten Public Finance Act Section 4A Companies, including City Rail Link Ltd, Crown Infrastructure Partners Ltd, and New Zealand Green Investment Finance Ltd.

EU companies will now be able to tender, on an **equal footing** with local suppliers and service providers, for contracts with all public authorities whose procurement is regulated by New Zealand's Government Procurement Rules.

Procurement by almost all of New Zealand's city, district, and regional councils will be covered in respect of procurement related to **transport**projects funded in whole or in part by the New Zealand Transport Agency. This includes procurement of Auckland Transport, provider of transport services and infrastructure in New Zealand's largest city.

Procuring entities of New Zealand of which commitments have been made can be found in <u>Annex 14 of</u> the EU-New Zealand FTA.

The EU-New Zealand FTA also looks to the future, with **commitments to negotiate further market access** should New Zealand extend its procurement regulation to local authorities and other state sector entities, either domestically or with another trading partner.



With respect to **transparency** of the tendering process, the EU-New Zealand FTA requires New Zealand to make all notices regarding covered procurements available by electronic means, free of charge and through a single access point, as well as to make tender documentation available electronically.

### 7.2 Public Procurement in New Zealand

Public procurement in New Zealand is managed by <u>New Zealand Government Procurement</u> (NZGP); a branch of the Ministry of Business, Innovation and Employment which assists government agencies with their procurement in order to deliver better public services for better value.

It is tasked with providing policy advice to the Government, developing procurement capability, and providing advisory and hands-on support for procuring entities. NZGP helps government agencies with procurement capacity, systems and expertise. It also manages the government agencies' tendering platform and 'all of government' contracts.

### Regulation of procurement

New Zealand public procurement is regulated under the <u>Government Procurement Rules</u> (4th edition, 2021), which reflect the obligations in the WTO GPA and are in line with the EU-New Zealand FTA.

The Rules provide a **flexible framework** to help procuring agencies make **balanced procurement decisions.** They predominantly focus on the process of sourcing where they promote good practice for procurement planning, approaching suppliers and contracting.

Areas covered by the Rules include advertisement of contract opportunities, advertisement exemptions, content requirements for Procurement Notices, timeframes, treatment of supplier queries and complaints, treatment and types of suppliers (including supplier lists), post-award debriefs and notifications, and prompt payment of contracts.

There is also a New Zealand Government expectation that procurement can be leveraged to achieve **broader outcomes**. These are secondary benefits, whether **environmental**, **social**, **economic or cultural**, that will deliver long term public value for New Zealand. To this end, the Rules mandate the need for procuring agencies to either consider or to include certain requirements relating to outcomes in their procurement.

These requirements relate to creating opportunities for New Zealand businesses and employees, particularly for disadvantaged groups; maximising domestic skills development in the construction sector; improving employee working conditions; and supporting the transition to a net-zero emissions economy.

The EU-New Zealand FTA affirms that procuring agencies may take into account environmental, social, and labour considerations when making public procurements, provided that these are non-discriminatory and are indicated in the notice of intended procurement.

The Rules make clear that procuring agencies must award the contract to suppliers that have both **demonstrated capability** and have offered **the best public value over** the whole life of the goods, services or works. **Cost alone is not the determining factor.** 

It is therefore important that EU SMEs familiarise themselves with the broader outcomes and consider how their tender may support those outcomes, to maximise their success.

The Rules are mandatory for some agencies and expected or encouraged for others.



Compliance with the Rules is mandatory if the procurement contract is worth more than NZD 100,000 (or 9 million for new construction works) and is being procured by:

- a government department;
- New Zealand Police;
- the New Zealand Defence Force, or
- most Crown entities.

Additionally, certain agencies for whom the rules are not mandatory are nevertheless bound to meet the requirements of the WTO GPA or other free trade agreements, including the EU-New Zealand FTA. For these agencies, **only the Rules relevant to the commitments made and the procurement covered by those agreements will apply**. For the EU-New Zealand FTA, this applies to:

 Procurement for governmental purposes only of the following State-owned Enterprises: Airways Corporation of New Zealand Limited, Meteorological Service of New Zealand Limited, KiwiRail Holding Limited and Transpower New Zealand Limited.

 Procurement undertaken by the local authorities listed in Annex 14 of the EU-New Zealand FTA relating to transport projects funded by the New Zealand Transport Agency.

Overarching procurement values and expectations relating to achieving public value apply to all procuring agencies, even if the Rules do not. These can be found in the New Zealand <a href="Government Procurement Principles">Government Procurement Principles</a> and the <a href="Government">Government</a> Procurement Charter.

## **Process for procuring**

Openly advertised procurement opportunities in New Zealand can be found on the comprehensive platform New Zealand

Government Electronic Tenders Service (GETS). GETS is a free service designed to promote open, transparent and fair competition for New Zealand Government contract opportunities.

All procuring agencies covered by the Rules and New Zealand free trade agreements, including the EU-New Zealand FTA, must use GETS for over-threshold procurements, unless an exemption

**applies.** Valid exemptions can be found in Rule 14. If an exemption applies, the agency must use either a closed competitive process (with a limited number of known suppliers) or a direct source process (with a known supplier) instead.

Registration on GETS is required if you wish to respond to tenders and manage notifications for new opportunities in categories and/or regions of interest to you.

# Approximately 20% of the total spend on procurement in the financial year ended March 2023 was awarded via GETS.

New Zealand also has a platform where suppliers, including EU firms, can register their interest in providing **software** as a **service (SaaS)**, **consultancy and professional services**, **managed services and enterprise software** to the New Zealand Government. This platform is known as Marketplace, which offers the following benefits to suppliers:

- Agencies registered on Marketplace can easily access information about supplier services or products;
- Commercial terms are standardised;
- Marketplace is open to all businesses that meet the specific entry criteria for the channel they want to join;
- Joining Marketplace acts as a primary procurement process, reducing the time and effort needed to engage with government clients; and
- Businesses can apply to join at any time the whole application process is done online through Marketplace.

### **Types of contracts**

Templates have been designed by New Zealand Government Procurement and are available <u>here</u>. The most relevant for SMEs are the model contract templates.

Government departments in New Zealand may choose to set up **Panels of Suppliers**, which is a permitted exemption to open advertisement on GETS. A Panel must be established through the ordinary open process, but once established an agency may purchase from Panel suppliers that have been **approved as capable of delivery** and that have **agreed to the terms and conditions of supply**, negating the need to publish individual contract opportunities. This is known as secondary procurement.

There are three types of **collaborative or centralised contracts** used for public procurement in New Zealand:

## All-of-Government Contracts

supply agreements
with approved
suppliers for selected
commonly purchased
goods or services
across the Government.
These contracts are
ordinarily managed by
NZGP.

### **Syndicated Contracts**

involve a group of entities aggregating their respective needs and procuring collectively.

## Common Capability Contracts (CCs)

various supply agreements with approved suppliers for selected common goods, services or works purchased across government. CCs can be either mandatory or voluntary, and an administrative fee or a levy may be charged for their use.

## 7.3 Appealing a Tender Process

Aggrieved suppliers can complain to the respective procuring entity if they believe that they have been treated unfairly. If the supplier is still not satisfied after consultations with the procuring entity, it has several **options of independent redress**:

- An independent review or investigation.
- A mediation or alternative dispute resolution.
- An investigation by the Auditor-General.
- An investigation by the <u>Ombudsman</u>, the <u>Public Services Commission</u>, or the <u>Commerce Commission</u>.
- Court review.

The aggrieved supplier is free to choose from the above options and decide on the most appropriate redress route. Legal advice is advised.



## 8 COMPETITION

# 8.1 Benefits of the EU-New Zealand Free Trade Agreement

The EU-New Zealand Free Trade Agreement ('FTA') recognises the importance of **free and undistorted competition** 

in the bilateral trade and investment relationship.

The FTA commits the EU and New Zealand to have in place competition law to address horizontal and vertical agreements between enterprises and address the abuse of a dominant position. The EU and New Zealand will maintain an **independent competition authority** and non-discriminatory application of their competition laws.

The EU-New Zealand FTA also affirms the importance of the **principle of procedural fairness** and underlines the need to have means in place to provide for private rights of action.

## 8.2 Competition in New Zealand

New Zealand is a small open economy that is geographically remote from all major markets. Its distinct features mean that many aspects of its market are highly concentrated and lack economies of scale, which inevitably has an impact on competition. This increases the risk of anti-competitive behaviour and possible negative impacts on consumers, such as price pressure.

Consequently, New Zealand continues to increase its regulatory oversight to **decrease barriers to entry** and **discourage anti-competitive behaviour**.

## **Competition policy**

Competition policy in New Zealand is regulated under the <u>Commerce Act 1986</u>, which has the purpose of promoting competition in markets for the long-term benefit of consumers in New Zealand.

This is acutely reflected in the "substantial lessening of competition" test, recently extended to prohibit the effects-based misuse of market power. This has better aligned New Zealand's competition law with many other overseas jurisdictions.



The Commerce Act covers restrictive trade practices, mergers and acquisitions, price fixing, misuse of market power and other actions that reduce competition; as well as regulates markets where there is little or no competition.

In particular, it:

- Prohibits cartels and other anti-competitive arrangements.
- Prohibits anti-competitive conduct by actors with substantial market power (misuse of market power).
- Regulates mergers and acquisitions, including review of an acquisition of a foreign company by another foreign company.
- Governs imposition of price control on particular goods and services.

The <u>New Zealand Commerce Commission</u> is responsible for administering and enforcing competition policy. The role of the Commission includes:

- Administering a voluntary clearance regime for mergers and acquisitions (information on applying for a merger clearance is available <a href="here">here</a>).
- Granting an authorisation for an acquisition that would result in a substantial lessening of competition, if the public benefits resulting from the acquisition are found to outweigh the competitive harm.
- Taking enforcement action to prevent anti-competitive transactions from going ahead if prior clearance is not sought.
- Investigating anti-competitive conduct based on complaint received or issue coming to the attention of the Commission.

Where the Commission considers that a person or business may have breached the law, **the extent of the harm**, the **seriousness of the conduct** and the **public interest** will be taken into account.

**Enforcement options** include low-level responses such as compliance advice or warning letters, through to prosecution in the High Court. A negotiated settlement is possible, which typically requires the respondent to cease the unlawful conduct, make some admission of liability and pay a penalty set by the courts.

Penalties for any breaches will be imposed by the courts.

In the case of an individual, the maximum penalty is NZD 500,000 for each offence and up to 7 years in prison for each criminal offence.

In the case of a business (body corporate), the maximum penalty per offence is the greater of:

- NZD 10 million; or
- either three times the value of any commercial gain resulting from the contravention; or if the commercial gain cannot be readily ascertained, 10% of the turnover of the body corporate and all of its interconnected bodies corporate (if any).

More detail on the competition activities of the New Zealand Commerce Commission are available <u>here</u>.

### **Criminal Action for Cartel Conduct**

Since 2021, cartel conduct is punishable with a term of imprisonment of up to 7 years.

A cartel is where two or more businesses agree not to compete with each other by price fixing, allocating markets or customers, or restricting the output or acquisition of goods and services. Bid rigging is a form of price fixing and can also involve allocating markets or customers.

Bid rigging or collusive tendering is when there is an agreement among some or all of the bidders about who should win a tender or have an unfair advantage in the tender. This may involve potential bidders not bidding for a tender to support the proposed winner or bidders may agree the prices that each party will bid. This often occurs in the form of "cover pricing."

Cover pricing is where one or more parties submit a tender bid or bids at an inflated price with a view to increasing the prospects that another designated firm wins the tender. Such an agreement prevents open and effective competition and means procurers are unlikely to achieve best value for money for their business, customers, and in some cases, taxpayers.

In December 2023, criminal charges were filed against two companies and two directors in the construction industry.



## 9 TRADE AND SUSTAINABLE DEVELOPMENT

## 9.1 Benefits of the EU-New Zealand Free Trade Agreement

The EU-New Zealand Free Trade Agreement ('FTA') is the EU's first trade agreement which:

- Fully integrates the EU's new approach to Trade and Sustainable Development ('TSD'), as set out in the European Commission's Communication on "The power of trade partnerships: together for green and just economic growth" of 22 June 2022.
- Includes binding and enforceable commitments to international labour and environmental standards, including the Paris Agreement on Climate Change and the International Labour Organisation (ILO) fundamental principles and rights at work.
- Has a dedicated trade and gender equality article in its TSD chapter.
- Has a dedicated provision on trade and fossil fuel subsidies reform.
- Removes tariffs on green goods and liberalises services at entry into force.
- Promotes collaboration between the EU and New Zealand on the circular economy, deforestation, carbon pricing and the protection of the marine environment.

The TSD chapter **commits the EU and New Zealand to strive for high levels of environment and labour protection.** It includes commitments to not weaken the levels of protection in their laws, or to poorly enforce these laws, to encourage trade or investment. This is balanced with a commitment not to use environmental or labour laws as a disguised restriction on trade and investment.

The FTA will make trade and investment in low-carbon goods, services and manufacturing activities easier. This includes zero tariffs on green goods such as building insulation materials, hydro turbines and wind turbine towers, solar panel components and geothermal heatpumps. Binding commitments have also been taken on environmental and circular-economy-related services such as refuse disposal, nature and landscape protection, and repair and recycling services. Services supporting the manufacture and use of environmental goods are also covered.

A non-exhaustive list of green goods and services can be found in Annex 19 of the FTA.



Importantly, the TSD chapter envisages the possibility of temporarily suspending the obligations under the FTA, as a matter of last resort, in instances of serious violations of core TSD commitments, namely, the ILO fundamental principles and rights at work and the Paris Agreement, regardless of their impact on trade. This would mean the temporary suspension of trade preferences under the EU-New Zealand FTA, to a level not exceeding the nullification or impairment caused by the violation.

TSD commitments are **legally binding and enforceable** through the FTA's general dispute settlement mechanism, with an independent and transparent review by a panel of experts, and the active involvement of civil society. This approach is based on engagement and addresses emerging concerns through **dialogue and cooperation**.

## 9.2 Labour Rights

### Labour rights in the EU-New Zealand Free Trade Agreement

Both the EU and New Zealand have strong laws protecting workers' rights. They have agreed that the EU-New Zealand FTA must support existing rights and not lead to reducing or diluting them. To this objective, the agreement prohibits either side from unduly encouraging trade and investment by:

- weakening their respective labour laws;
- derogating from or waiving labour laws; or
- not enforcing labour laws.

New and robust provisions on trade and labour are important to the EU and New Zealand. These include binding commitments to respect, promote and realise core **ILO principles** covering subjects such as freedom of association, the right to collective bargaining, the elimination of all forms of forced and compulsory labour, the abolition of child labour, and non-discrimination at work.

To that end, the EU Member states and New Zealand have committed to **effectively implement all the ILO Conventions** that they have respectively ratified and which are in force. Moreover, they are obliged to **make continued and sustained efforts to ratify the fundamental ILO Conventions** under the 1998 Declaration on Fundamental Principles and Rights at Work that they have not yet ratified. For New Zealand, this means the **Freedom of Association and Protection of the Right to Organise Convention** (No. 87) and the **Minimum Age Convention** (No. 138).

## **Labour rights in New Zealand**

There is a range of legislation that sets out the rights and obligations of employees and employers in New Zealand, including:

- Employment Relations Act 2000
- Holidays Act 2003
- Wage Protection Act 1983
- Minimum Wage Act 1983
- Parental Leave and Employment Protection Act 1987
- Equal Pay Act 1972
- Health and Safety at Work Act 2015
- Human Rights Act 1993
- Privacy Act 2020
- Protected Disclosures Act 2000



Below are some basic obligations under these laws that employers must adhere to with respect to their employees.



### **Hours of Work**

Employment agreements must fix the maximum number of hours to be worked by the employee at **no more than 40 per week** (not including overtime) unless the employer and employee agree otherwise. If the maximum number of hours (not including overtime) are less than 40, the employer and employee must try to fix the hours so they are worked on no more than five days of the week.



### **Parental Leave**

Employees are entitled to parental leave if they or their partner is having a baby or they are becoming the permanent primary caregiver of a child under the age of six years. The New Zealand Government provides **26 weeks of government-funded parental leave payments** for the 'primary carer' of the child. The eligibility criteria and funding entitlements for paid parental leave are set out <u>here</u>.

An employee may also take up to 52 weeks' **unpaid leave**, depending on eligibility, provided the total leave taken is no more than 52 weeks. A partner or spouse who is not the primary carer of the child may simultaneously take up to two weeks' unpaid partners leave.

The types of parental leave available can be found here.



#### **Annual Leave**

Full-time employees are entitled to **four weeks' annual holidays each year** when they have worked for their employer for 12 months.

If an employee has been working less than a year, then they aren't entitled to annual holidays, but their employer may let them take some of their annual holidays in advance.

Casual workers or those on a fixed-term agreement of less than 12 months, may be paid holiday pay at the rate of not less than 8% of their gross earnings with their regular pay instead of being provided with 4 weeks' annual holidays each year.

Employees can ask their employer to pay out in cash, up to one week of their four weeks' minimum entitlement to annual holidays per year. This request must be considered but an employer is not obliged to assent.

Employers can set limits on how much annual leave can be carried over from year to year.

More information on managing annual leave in New Zealand is available <u>here.</u>



### **Sick Leave**

Most employees are entitled to **10 days' sick leave a year**. It depends on how long they have worked for the same employer, and their entitlement date.

Employees are allowed to **accumulate up to 20 days of sick leave**. This means employees can carry over 10 days of unused sick leave into the next year.

Sick leave can be used to care for a sick or injured spouse, partner, dependent child or any other dependent individual.

More information on managing sick leave in New Zealand is available <u>here</u>.



### **Minimum Wage**

Employees must be paid at least the minimum hourly wage rate for every hour worked, unless they agreed to a higher rate in their employment agreement. The current minimum wage levels are available <u>here</u>.

The minimum wage applies to employees who are 16 years or old and are:

- full-time, part-time, fixed-term, casual, or working from home; and
- paid by wages, salary, commission or piece rates (with some exceptions).

More information on labour law and policy in New Zealand can be found here.

New Zealand also has a living wage that has been voluntarily adopted by over 350 employers. It is the income necessary to provide workers and their families with the basic necessities of life. More information is available here.

## 9.3 Environment and Climate Change

Mirroring the approach on the labour commitments, the EU and New Zealand have agreed that the EU-New Zealand FTA must **support existing international environmental standards and not lower or dilute the environmental protections provided on each side**. They have also agreed that each side has the right to regulate in order to protect the environment.

The TSD chapter includes provisions on the **fight against climate change and the transition to a sustainable low-carbon economy.** It also identifies potential areas where trade and environmental agendas can reinforce each other such as the conservation and sustainable management of biological resources, forests, and fisheries; and the promotion of trade in legally harvested and sustainable products.

Novelty cooperation obligations encourage the shift to a circular and resource-efficient economy, and deforestation-free supply chains.

Moreover, it includes the first dedicated article on **fossil fuel subsidies** in an EU trade deal, with a commitment to work together on reforming trade-related aspects of fossil fuel subsidies, in particular through the WTO.

**Sustainable fisheries management** and combatting illegal, unregulated and unreported (IUU) fishing activities are a focus in the fisheries and aquaculture section.

The strong commitments adopted in relation to the environment and climate change indicate the approach that can be expected in the EU and New Zealand towards future trade and sustainable development regulation. They therefore provide a strong impetus or incentive for businesses to adopt sustainable business practices, if not already under consideration.

9.4 Other TSD commitments relevant for businesses

### **Trade and Gender**

The EU-New Zealand FTA has a dedicated article on Trade and Gender Equality in the TSD chapter, a first for an EU trade agreement. It includes a:

- Commitment to effectively implement the relevant United Nations and ILO conventions that address gender equality or women's rights, including the Convention on the Elimination of all Forms of Discrimination Against Women.
- Commitment not to weaken or reduce the levels of protection nor to waive or otherwise derogate from its laws aimed at ensuring gender equality or equal opportunities for women and men, in order to encourage trade or investment.



Recognising the contribution inclusive trade policies make to advancing women's economic empowerment and equality, the FTA ensures that the EU and New Zealand will continue to advance the opportunities for women-owned and led businesses in trade and investment. There are a wide range of networks and membership organisations for women in business, female entrepreneurs and professional women in New Zealand that might be of interest to EU SMEs. A list of contacts is available here.

### **Corporate Social Responsibility and Responsible Business Conduct**

The FTA promotes corporate social responsibility and responsible business conduct, including responsible supply chain management.

New Zealand does not have separate laws or regulations on Corporate Social Responsibility (CSR) / Responsible Business Conduct. It is however common practice among businesses in New Zealand to have a CSR policy in place. CSR is often evidenced in New Zealand by businesses supporting not-for-profits to deliver community-based services. These community partnerships have progressed from the traditional sponsorship model to one of shared value.<sup>19</sup>

There is growing interest among New Zealand consumers in responsible business practices, in particular around the use of **forced labour in supply chains**. New Zealand is considering legislation on modern slavery in supply chains, including new transparency requirements for business.<sup>20</sup>

New Zealand promotes the <u>Organisation for Economic Cooperation and Development (OECD) Guidelines</u> <u>for Multinational Enterprises on Responsible Business Conduct</u> ('the Guidelines'). The Guidelines have been designed for multinational enterprises such as a New Zealand company that also operates overseas, or a foreign company operating in New Zealand.

The Guidelines can also be used to guide domestic businesses' activity, particularly those that are part of international supply chains. More information is available from the New Zealand contact point on the Guidelines here.

<sup>19.</sup> https://www.iod.org.nz/news/articles/get-business-kind/#

<sup>20.</sup> https://www.beehive.govt.nz/release/govt-prescribes-daylight-disinfectant-modern-slavery

## **10 RESOLVING DISPUTES**

In line with the positions of both the EU and New Zealand, the EU-New Zealand Free Trade Agreement does not include an investor-state dispute resolution mechanism. This means that a company cannot sue a Government before an international tribunal if it thinks its investment rights have been breached.



Moreover, SMEs do not have direct access to the dispute resolution provisions under the EU-New Zealand FTA.

Rather, chapter 26 of the EU-New Zealand FTA sets out a **mechanism for resolving disputes between the EU and New Zealand** (i.e. Government-to-Government) on the interpretation and application of the Agreement.

This mechanism includes different phases:

1 ations betw

Consultations between the Parties

2

Establishment of a panel to decide on the dispute if it is not resolved via consultations

3

Compliance with the findings and recommendations from the panel

Each stage in the process is to take place within **prescribed time limits**. There is also an **urgent procedure** set out for those matters that require an expedited process.

**Mediation** is also an option for any issue that is considered to be adversely affecting trade and investment between the Parties.

Not all chapters of the EU-New Zealand FTA are subject to the dispute settlement provisions. Excluded or partially excluded chapters include trade remedies, competition policy, Māori trade and cooperation, SMEs and good regulatory practice.

# 10.1 Lodging complaints on New Zealand's trade barriers and sustainability commitments

Complaints about New Zealand's trade barriers or non-compliance with sustainability commitments can be brought to the attention of the European Commission via the **Single Entry Point**. This is the first point of contact for all EU stakeholders who are facing potential market access barriers in third countries or for complaints about non-compliance with Trade and Sustainable Development provisions in trade agreements.

Complaints can be submitted through the online complaint form found on the Access2Markets portal, here.

Complaints can be lodged by EU-based companies, trade and business associations, civil society organisations, citizens or EU Member States. They must include a detailed description of the existing problem, of any actions already taken to address it, and of the impact that either the trade barrier or the breach of Trade and Sustainable Development provisions might have. The European Commission will then assess each complaint, and inform the complainant of whether enforcement action will be pursued, and if so, of what the steps of the action plan will be, as well as of a timeline if possible.

The European Commission also **continuously monitors** the implementation of FTA commitments by third countries, including through communication with its diplomatic representations and EU Member States. Businesses are encouraged to reach out to their local representatives to report potential trade barriers or if they otherwise have concerns about the implementation of the EU-New Zealand FTA.

## 10.2 Resolving International Investment Disputes

This section applies to EU SMEs that are not established in New Zealand as subsidiaries or separately registered companies and that are not subject to New Zealand law.

To reiterate, there is **no investor-state dispute resolution mechanism** under the EU-New Zealand FTA.

New Zealand is, however, party to:

- 1. the <u>Convention on the Settlement of Investment Disputes between States and Nationals of Other States</u> (ICSID), which established an arbitral institution to oversee the resolution of investor-State disputes; and
- 2. the <u>New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards</u>, which ensures enforceability of an arbitral award almost anywhere in the world.

Party consent is however required for investor-State arbitration under the ICSID Convention, while State immunity under New Zealand law shields New Zealand against investor enforcement of an arbitral award.

Rules based on the United Nations Commission on International Trade Law (UNCITRAL) and its 2006 amendments are incorporated into the <u>Arbitration Act 1996</u>. This legislation governs arbitrations taking place in New Zealand, including international disputes. Parties to an international arbitration can opt out of some of the rules, but the Arbitration Act provides the default position.

Support for international dispute resolution is available from the New Zealand International Arbitration Centre (NZIAC). It is associated to the New Zealand Dispute Resolution Centre (NZDRC), which is the

leading independent, nationwide provider of private commercial, family and relationship dispute resolution services in New Zealand. The NZDRC is willing to act as an appointing authority. Another alternative is the <u>Arbitrators' and Mediators' Association of New Zealand (AMINZ)</u>.

## 10.3 Resolving Disputes in New Zealand

For those EU SMEs that are established in New Zealand with a subsidiary or separately registered company, disputes will be covered by local New Zealand law. In most cases, this will first be determined by the **specific provisions set out in the contract** governing the business interaction. Parties may also seek **judicial resolution**, although recourse through the Courts will often only be accepted once the agreed dispute resolution process is completed.

It is recommended to seek legal advice from a local solicitor in New Zealand when preparing a contract. There is no uniform dispute resolution clause that can be used in all circumstances.

Common options for dispute resolution used in New Zealand include:



The Ministry of Business, Innovation and Employment offers general guidance on dispute resolution clauses <u>here</u> including on the options listed above, and on the role of the courts.



## 11 RESOURCES AND CONTACT INFORMATION

## 11.1 Benefits of the EU-New Zealand Free Trade Agreement

Under the EU-New Zealand Free Trade Agreement ('FTA'), New Zealand is required to establish or maintain a digital medium such as an SME specific website with information on how to trade/do business in its market, such as:

- a) a summary of the agreement
  - b) information about the agreement, such as a description of the provisions, and other information useful for SMEs
    - c) access to the equivalent EU SME website
      - d) access to its own authorities' websites with information useful when trading, investing and doing business in New Zealand (for example links to the applicable rules for sanitary and phytosanitary measures, intellectual property, public procurement)
        - e) a link to a searchable database or similar that would generate product specific import requirements and procedures in New Zealand, such as applicable tariffs, taxes and rules of origin.

New Zealand will also have to designate one or more officials to act as the **SME Contact Point**. Together with the counterpart EU SME Contact Point, the New Zealand SME Contact Point will carry out government-to-government work so as to ensure that SMEs' perspectives and needs are taken into account in implementing the FTA.

At the time of publishing this SME Guide, the New Zealand digital medium is still under development. The business unit of New Zealand's Ministry of Business, Innovation and Employment will be responsible for developing and maintaining this medium (<a href="https://www.business.govt.nz">www.business.govt.nz</a>).

### 11.2 New Zealand Authorities

Agency Website

Ministry of Foreign Affairs and Trade <a href="https://www.mfat.govt.nz/en/">https://www.mfat.govt.nz/en/</a>

New Zealand Trade and Enterprise <a href="https://www.nzte.govt.nz/">https://www.nzte.govt.nz/</a>

Ministry for Primary Industries <a href="https://www.mpi.govt.nz/">https://www.mpi.govt.nz/</a>

New Zealand Customs Service <a href="https://www.customs.govt.nz/">https://www.customs.govt.nz/</a>

New Zealand Commerce Commission <a href="https://comcom.govt.nz/">https://comcom.govt.nz/</a>

Overseas Investment Office <a href="https://www.linz.govt.nz/guidance/overseas-investment">https://www.linz.govt.nz/guidance/overseas-investment</a>

Ministry of Business, Innovation and Employment <a href="https://www.mbie.govt.nz/">https://www.mbie.govt.nz/</a>

Business.govt platform <a href="https://www.business.govt.nz/">https://www.business.govt.nz/</a>

New Zealand Government Procurement <a href="https://www.procurement.govt.nz/">https://www.procurement.govt.nz/</a>

Intellectual Property Office of New Zealand <a href="https://www.iponz.govt.nz/">https://www.iponz.govt.nz/</a>

New Zealand Companies Office <a href="https://www.companiesoffice.govt.nz/">https://www.companiesoffice.govt.nz/</a>

### 11.3 EU Business Associations and Trade Offices in New Zealand

Organisation Website

New Zealand Europe Business Council <a href="https://www.nzebc.org.nz/">https://www.nzebc.org.nz/</a>

Austrian Trade Commission <a href="https://www.advantageaustria.org/au/Startseite.en.html">https://www.advantageaustria.org/au/Startseite.en.html</a>

Dutch Business Association NZ <a href="https://dutchbusinessassociation.co.nz/">https://dutchbusinessassociation.co.nz/</a>

Enterprise Ireland <a href="https://www.enterprise-ireland.com/en/contact-us/">https://www.enterprise-ireland.com/en/contact-us/</a>

sydney-office

Flanders Investment and Trade <a href="https://corporate.flandersinvestmentandtrade.com/en">https://corporate.flandersinvestmentandtrade.com/en</a>

French New Zealand Chamber of Commerce <a href="https://www.fnzcci.org.nz/">https://www.fnzcci.org.nz/</a>

German-New Zealand Chamber of Commerce https://neuseeland.ahk.de/en/

Irish Business Network of New Zealand <a href="https://www.ibnnz.com/">https://www.ibnnz.com/</a>

Italian Chamber of Commerce in New Zealand https://iccnz.com/

Italian Trade Office https://www.ice.it/en/markets/new-zealand

Polish Investment and Trade Agency https://www.paih.gov.pl/en/

Polish-New Zealand Business Association https://polanz.nz/

New Zealand Scandinavia Business Association https://www.nzsba.nz/

Wallonia Export and Investment Agency <a href="https://www.investinwallonia.be/home">https://www.investinwallonia.be/home</a>

### 11.4 EU Resources

The **Directorate-General for Trade of the European Commission** provides information on trading with New Zealand that can be accessed <u>here</u>.

The **Access2Markets** portal provides trade information for all products, on exports to more than 130 markets and imports from around 200 markets. It can be accessed <u>here</u>.

It includes the **Access2Conformity** tool, which helps EU exporters identify where in the EU product testing and certification can be done before exporting to New Zealand. It also contains **ROSA**, a self-assessment tool for identifying the rules of origin applicable when trading with New Zealand. With the help of ROSA, business operators can check if their product meets the rules of origin requirements to qualify for preferential treatment (e.g. reduced duties) under the FTA and can obtain information on how to obtain that preferential treatment.

The information on the Access2Markets database is copyright protected and access is limited to users logging on to the portal from the EU teritory. However, European companies' offices outside of the EU can request access by filling in the following contact form.

The **TARIC**, or integrated Tariff of the European Union database, a database that provides information on trade policy and tariff measures that apply to specific goods in the EU can be accessed <u>here.</u>

EU companies can also contact the <u>New Zealand local contact point</u> of the **Enterprise Europe Network**, which helps connect SMEs in the EU and New Zealand with tailored advice, support and opportunties in each other's markets.

This SME Guide was produced with the financial support of the European Union. It serves to provide European SMEs interested in trading with New Zealand, alongside other interested stakeholders, a first point of call. It offers a set of initial answers to questions businesses may have, includes links to further details and documentation. Whilst this guide has been prepared with great care, it does not constitute legal advice. The contents of this SME Guide are the sole responsibility of Eurosupport.