



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

National Interest Analysis

New Zealand - United Arab Emirates

Comprehensive Economic Partnership
Agreement & Agreement on the Promotion
and Protection of Investments

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Frequently Used Acronyms and Terms

Term	Explanation
BIT	Bilateral Investment Treaty
CPTPP	Comprehensive and Progressive Agreement for Trans-Pacific Partnership
CEPA	Comprehensive Economic Partnership Agreement
GATS	General Agreement on Trade in Services (the WTO agreement covering trade in services)
GATT	General Agreement on Tariffs and Trade (the WTO agreement covering trade in goods)
GCC	Gulf Cooperation Council: a six-member bloc comprising the UAE as well as Bahrain, Kuwait and Oman, Qatar and Saudi Arabia
GDP	Gross Domestic Product
Harmonized System	the Harmonized Commodity Description and Coding System, a near-universal method for classifying international trade in goods
ICT	Information and Communication Technology
ILO	International Labour Organization
IP	Intellectual Property
ISDS	Investor-State Dispute Settlement
MBIE	Ministry of Business, Innovation and Employment
MFAT	Ministry of Foreign Affairs and Trade
MPI	Ministry for Primary Industries
MFN	Most-Favoured-Nation treatment – where preferential treatment extended to one nation (the 'most favoured') is extended to another
National Treatment	Where the same level of treatment extended to domestic entities is extended to the entities of the other Party to the Agreement
NGO	Non-Governmental Organisation
NIA	National Interest Analysis
NTB	Non-Tariff Barrier
NTM	Non-Tariff Measure
NZ-UAE BIT	New Zealand-United Arab Emirates Agreement on the Promotion and Protection of Investments (a bilateral investment treaty)
NZ-UAE CEPA	New Zealand-United Arab Emirates Comprehensive Economic Partnership Agreement

PSR	Product Specific Rules of Origin (the rule of origin applied to a specific good)
Safeguards Agreement	The Agreement on Safeguards, a WTO agreement
SMEs	Small and Medium-Sized Enterprises
TBT	Technical Barriers to Trade (non-tariff barriers to trade in goods)
TBT Agreement	The Agreement on Technical Barriers to Trade, a TWO agreement
UAE	United Arab Emirates
UN	United Nations
WTO	World Trade Organization

1. Executive Summary

The New Zealand-United Arab Emirates Comprehensive Economic Partnership Agreement (NZ-UAE CEPA) is New Zealand's first free trade agreement with a Gulf state, and will deliver on the Government's commitment to lift New Zealand's productivity and economic growth, help pursue the goal of doubling the value of exports, and increase opportunities, employment and incomes for New Zealanders.

The UAE is a dynamic and increasingly internationally orientated economy, and, through its ports and airports, a key gateway to the region for New Zealand exporters. It is the regional base for many NZ Inc operations and the entry point for many New Zealand businesses and travellers into the region. The UAE is a key global hub, with regular flights between New Zealand and Dubai, and beyond.

The UAE's ongoing transition to a knowledge-based economy by promoting innovation, and research and development provides opportunities for innovative New Zealand companies. Recent strategic initiatives - including allowing 100% foreign ownership of companies, and talent-based pathways to UAE citizenship - are attracting even more business and people to its shores.

The UAE is New Zealand's largest export destination in the Middle East, the destination for more than 40 percent of New Zealand exports to the six-country Gulf Cooperation Council (GCC). In the year to June 2024, New Zealand's exports to the UAE increased 7%, now valued at NZ\$1.12 billion. Food and beverages remain the backbone of New Zealand exports – mostly dairy, and also red meat and horticulture – plus industrial product exports exceeding NZ\$230 million.

Through the NZ-UAE CEPA, New Zealand will benefit from the best-available access to the UAE market for all New Zealand goods exports. Immediately on entry into force, UAE tariffs on 98.5% of New Zealand's goods exports will be eliminated, increasing to 99% within three years. New Zealand will have the best access to the UAE for the remaining 1%, through an immediate reduction in tariffs, plus a commitment to extend to New Zealand any further liberalisation that the UAE may agree in future with any other trading partner. This makes the NZ-UAE CEPA the most liberalising of the UAE's CEPAs to date – providing New Zealand goods exporters with the best access of any trading partner to this important and growing market. This is coupled with trade facilitative rules designed to reduce behind-the-border barriers.

New Zealand services exporters will also benefit from the guaranteed access to key services sectors of commercial interest, including professional, environmental, education, health and financial services. Most-Favoured Nation provisions mean New Zealand is automatically entitled to any more preferential treatment the UAE may offer a future trading party in key sectors of interest to New Zealand.

The CEPA, and the bilateral investment treaty (BIT) concluded alongside it, will facilitate investment flows between New Zealand and the UAE, creating opportunities for increasing two-way investment flows in support of economic growth.

In addition, the CEPA includes commitments on inclusive and sustainable trade, including: to adopt and maintain internationally recognised labour standards; promote high levels of environmental protection; and support women's access to the benefits and opportunities that flow from trade and investment.

The CEPA also contains a chapter highlighting the important contribution that increased Māori engagement can bring to enhancing trade, investment, innovation, cultural exchange, people-to-people links and wellbeing.

Overall, the NZ-UAE CEPA – coupled with the free trade agreement concluded with the six-member Gulf Cooperation Council (NZ-GCC FTA) – positions New Zealand to maximise the opportunities in the dynamic Gulf region, including in pursuit of the government's ambitious goal of doubling exports over the coming decade. These agreements further expand the footprint of New Zealand's network of free trade agreements, providing enhanced commercial certainty and opportunity for New Zealand exporters.

2. Nature and Timing of Proposed Treaty Action

The New Zealand-United Arab Emirates Comprehensive Economic Partnership Agreement (NZ-UAE CEPA) and the Agreement between the Government of the United Arab Emirates and the Government of New Zealand on the Promotion and Protection of Investments (NZ-UAE BIT) are bilateral agreements negotiated between New Zealand and the United Arab Emirates.

The commencement of negotiations was announced on 7 May 2024, with negotiations concluding on 26 September 2024 – just over four and a half months later (and just three months after the first round of negotiations began on 3 June 2024). The CEPA was signed on 14 January by the New Zealand Minister for Trade Hon Todd McClay and the UAE Minister of State for Trade Dr Thani bin Ahmed Al Zeyoudi in Abu Dhabi.

New Zealand Parliamentary treaty examination of the NZ-UAE CEPA and associated NZ-UAE BIT is anticipated in early 2025, with any ratification to follow thereafter. The CEPA provides that it would enter into force 60 days after both sides complete their necessary ratification procedures, or as otherwise agreed; the BIT provides that it would enter into force immediately after each side has ratified the Agreement. It is anticipated that both Agreements could enter into force in the second half of 2025.

The NZ-UAE CEPA and NZ-UAE BIT will not apply to Tokelau.

3. Reasons for New Zealand Becoming a Party to the Treaty

3.1 The UAE as a Trade and Economic Partner

The UAE is the world's 20th-largest economy, with a GDP of NZ\$504 billion in 2023.¹ It is an important regional and global hub, critical to New Zealand's connections to the region and globally. The UAE has maintained strong GDP growth of 5.2% over the past three years² and its 2031 vision,³ launched in 2022, aims to double GDP by 2031 through diversifying and broadening the economy. The UAE's CEPA agenda is a key pillar of these ambitions.

The Gulf region is an important destination for New Zealand exports. In 2023, New Zealand exported NZ\$2.5 billion in goods and services to Gulf region, representing 2.6% of our total exports globally, and making it our 7th largest export destination as a bloc. Exports to the Gulf have increased strongly in recent years, up 22% from 2019 to 2023, outpacing New Zealand's overall export increase (up 9% over the same period). New Zealand's exports to the UAE were worth just over NZ\$1 billion, representing 1.1% of New Zealand's global exports in 2023. The most important New Zealand exports to the UAE are dairy, industrial products, meat, horticulture and travel services.

The UAE, and the wider Gulf region, represent a critical missing piece in New Zealand's network of free trade agreements, alongside the United States and India. In 2023, just over 70% of New Zealand's exports went to FTA partners (including the EU). The NZ-UAE CEPA would increase this to 71%, and the NZ-GCC FTA to 72.5%, further increasing the options available to our exporters to maximise the value of their products, and supporting diversification options.

New Zealand launched a process to explore the prospect of a CEPA with the UAE on 1 September 2023, and has pursued an FTA with the UAE and its fellow Gulf Cooperation Council (GCC) members Bahrain, Kuwait and Oman, Qatar and Saudi Arabia for almost two decades, first commencing negotiations with the GCC in 2006. These negotiations were substantively concluded in 2009, but never signed, due to internal issues within the GCC including a review of its trade policy. The GCC eventually recommenced negotiations with FTA partners, including New Zealand, in 2022.

Shortly prior to this, the UAE embarked on a bilateral CEPA programme from September 2021 – and signed its first CEPA with India on 18 February 2022. The UAE has since concluded over 20 CEPAs, of which six have already entered into force.⁴

The UAE formally proposed New Zealand negotiate a bilateral CEPA in May 2023, during a visit to New Zealand by Minister of State for International Cooperation Reem Al Hashimy. Following Cabinet consideration, New Zealand and the UAE announced the launch of exploratory discussions on a CEPA on 1 September 2023. This decision was made on the

¹ Source: World Bank (counting the EU as one market).

² Source: International Monetary Fund (IMF) 2021-2023.

³ Source: <https://wetheuae.ae/en>.

⁴ The UAE has CEPAs in force with India, Israel, Indonesia, Turkey, Cambodia, and Georgia. It has signed (but not yet ratified) CEPAs with Costa Rica, Colombia, Korea, Mauritius, Chile, Serbia, Jordan, Viet Nam, Australia and New Zealand; and concluded (but not yet signed) CEPAs with Republic of the Congo, Kenya, Ukraine, Morocco and Malaysia.

basis of an assessment that a negotiation with the UAE was likely to proceed at a fast pace, with high prospects for ambitious outcomes on issues of interest to New Zealand. In addition, it was believed a trade agreement with the UAE could serve as a pathfinder for the NZ-GCC FTA, helping unblock progress and demonstrating to the wider GCC membership the value an agreement with New Zealand would offer.

3.2 Broader context for the Agreement

New Zealand and the UAE share a commitment to open and free trade. Both countries are committed to strengthening the international rules-based system and its key institutions such as the United Nations (UN) and the World Trade Organization (WTO). Reinforcing this cooperative relationship is important in the face of the challenges in the current geopolitical environment.

The NZ-UAE CEPA will not only establish a new foundation for the trade and economic relationship, but will also add a new strand to the broader bilateral relationship with the UAE, one of New Zealand's closest partners in the Middle East.

The UAE is the regional base for NZ Inc operations and the entry point for many New Zealand businesses and travellers into the region.

New Zealand and the UAE work together on many global issues, including in the WTO, on renewable energy development in the Pacific, security cooperation and tourism and cultural cooperation.

Te Aratini, the first ever festival of Indigenous and Tribal Ideas at Expo 2020 Dubai, strengthened the cultural relationship between Māori and the UAE, predicated on relationships, cooperation, mutual benefit, protecting the environment and caring for communities.

3.3 Benefits for Goods Exporters

The NZ-UAE CEPA provides the highest-quality goods market access outcomes of any of the UAE's over 20 CEPAs agreed to date, delivering New Zealand exporters to the UAE the fastest and broadest elimination of tariffs. This means New Zealand goods exporters will have the best access to the UAE's market of any country upon entry into force of the Agreement, providing a strong basis for growing exports to this important market and regional hub.

Almost all New Zealand's exports to the UAE (98.5%) will immediately have tariffs eliminated, or existing duty-free access locked in, once the Agreement enters into force. This includes dairy products, beef and sheep meat, horticulture, fisheries, forestry and all industrial products. A further 0.5% of New Zealand's exports to the UAE, representing poultry, will have tariffs progressively eliminated over three years. This means 99% of New Zealand's current trade to the UAE will have duty-free access within three years. The remaining 1% of New Zealand's trade, comprising of wine, will receive both an immediate tariff reduction, plus a commitment to extend to New Zealand any further tariff reductions

granted to other trading partners in the future – guaranteeing New Zealand will enjoy the best available access to the UAE for wine⁵ now and into the future.

UAE exports to New Zealand will benefit from the elimination of 100% of New Zealand's tariffs on entry into force, giving the UAE the same tariff treatment as New Zealand's other FTA partners, including Australia, Association of Southeast Asian Nations (ASEAN), China, Korea, CPTPP Parties,⁶ the UK and the EU.

3.4 Benefits for Services Exporters

The NZ-UAE CEPA will give New Zealand services exporters enhanced access to the United Arab Emirates. The CEPA contains rules and commitments that build significantly on those made by the UAE in the WTO General Agreement on Trade in Services (GATS), and which will support the growth and development of trade in services between New Zealand and the UAE. It delivers improved access for New Zealand services exporters across priority sectors such as education services, professional services including engineering and environmental services, and audiovisual services including computer gaming.

The CEPA contains rules to prevent Parties favouring their domestic service suppliers over those of the other party, and to ensure that access to each other's markets is fair, and not limited by quantitative restrictions or restrictions on the legal form a company must take. These rules will help ensure New Zealand service suppliers can access the UAE and compete on a level playing field.

In addition, the CEPA includes cross-cutting domestic regulation commitments to ensure each side's licensing and qualification requirements and procedures are transparent, fair, and not unduly burdensome. The Agreement also contains Most-Favoured Nation (MFN) commitments for a number of sectors, including adult education, computer and related services, and research and development services. This is one of the first times the UAE has agreed to make such a forward commitment, extending to New Zealand any preferential treatment in listed sectors that it may confer to a third party in a future trade agreement. New Zealand has reciprocated this, consistent with our practice in previous FTAs.

3.5 Benefits for Investors and Investments

3.5.1 Bilateral Investment Treaty

The NZ-UAE Bilateral Investment Treaty (BIT) provides a rules-based framework to facilitate flows of investment between New Zealand and the UAE, creating a promising foundation to grow two-way investment and in turn economic growth. The rules are designed to protect investments and ensure foreign investors are competing on an equal footing with domestic investors and international competitors. While the BIT does not

⁵ For sparkling wine and still wine 2 litres or below.

⁶ CPTPP is a free trade agreement with 12 current Parties: New Zealand, Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, Singapore, the United Kingdom and Viet Nam.

contain market access elements, it aligns with New Zealand's recent agreements with respect to investment.

The rules contained within the BIT will ensure investors are not discriminated against compared to similar domestic and third-party investors. They ensure that once established, investments are treated fairly and in a manner that does not disadvantage the investor. It also contains obligations to safeguard against rules requiring investors to meet specified conditions in order to operate or expand in the market.

Importantly for New Zealand, the NZ-UAE BIT does not provide for Investor-State Dispute-Settlement (ISDS).

3.5.2 CEPA Investment Chapter

The CEPA also contains a chapter on investment aimed at facilitation of investment between the two countries. It focuses on ensuring regulatory measures are developed and administered in a fair and transparent manner. The chapter encourages each Party to promote investment in its territory through cooperation and exchanges between the Parties on matters of mutual interest.

The chapter includes provisions to promote investment in decarbonisation and clean technologies, as well as investment in partnership with Māori. It seeks to ensure that the Parties will create regulatory conditions that are favourable to facilitating long-term investments by ensuring relevant measures are administered in an impartial and reasonable way and that the regulation-making process is fair and transparent to investors.

3.6 Exceptions and Protections Provided Under the Agreement

The NZ-UAE CEPA preserves the unique status of te Tiriti o Waitangi/the Treaty of Waitangi. The UAE recognised the importance of this to New Zealand and agreed to the inclusion of a Treaty of Waitangi exception. This protects the ability of the New Zealand Government to adopt policies it considers necessary to fulfil its obligations to Māori. This provision is consistent with all of New Zealand's FTAs since 2001.

In addition to the Treaty of Waitangi exception which applies across the CEPA as a whole, the Digital Trade chapter explicitly reaffirms that measures taken by New Zealand to protect or promote Māori rights, interests, duties, or responsibilities will not be covered by the Chapter.

Also, as with previous FTAs, the NZ-UAE CEPA includes general exceptions and specific reservations to preserve the Government's right to regulate and ensure public provision in areas such as health, education, labour, environment, water, culture and heritage, and other areas that are important to New Zealanders.

Incorporated into the Government Procurement chapter (which is based on WTO Government Procurement Agreement rules) is a clear affirmation that procuring authorities may take into account environmental and social considerations when making public

procurements - provided these are non-discriminatory and indicated in the notice of intended procurement.

The Agreement preserves the Government's ability to take measures in relation to certain essential security interests, to safeguard against serious government balance of payment or financial difficulties, for taxation purposes, and to take prudential measures to protect and preserve the financial system.

The FTA also contains transparency disciplines that aim to ensure that New Zealand exporters can access the information they need about regulatory settings in the UAE.

3.7 Legislative Amendments

Many of the obligations in the NZ-UAE CEPA are already met through New Zealand's existing domestic legal and policy regime. There are a limited number of legislative and regulatory amendments that would be required to implement certain obligations under the NZ-UAE CEPA. These are described in more detail in Section 6 of the NIA, and include amendments to the:

- Tariff Act 1988 to amend the 'Tariff' (as defined in that Act) to enable the application of the preferential tariff rates agreed in the NZ-UAE CEPA;
- Customs and Excise Regulations 1996 to implement the agreed rules of origin and product specific rules of origin (PSRs) for goods imported from the UAE; and
- Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 to extend a higher (NZ\$200 million) screening threshold to UAE investors.

3.8 Consultation

As set out in Section 9, throughout the negotiation of the NZ-UAE CEPA, the Ministry of Foreign Affairs and Trade (MFAT) together with other government agencies, has engaged with Māori, as well as with a wide spectrum of New Zealand stakeholders, including NGOs, industry associations and civil society.

Consultations were undertaken in order to provide the opportunity for New Zealanders to express their views and to enable those views to be taken into account throughout the negotiation process.

In accordance with standard practice for CEPAs, the NZ-UAE CEPA will be scrutinised by a Parliamentary select committee, and Parliament will consider the necessary legislative changes required to give effect to the Agreement's outcomes.

4. Advantages and Disadvantages of New Zealand Becoming a Party to the Treaty

4.1 Chapter 2: Trade in Goods

4.1.1 Overview of the chapter

The chapter covering Trade in Goods sets out the rules New Zealand and the UAE will apply for qualifying goods imports from the other country. Annexed to the Chapter is a schedule of tariff commitments, standard practice in FTAs, specifying the preferential duty treatment that will apply for each qualifying imports from each country. The UAE's schedule annexed to the chapter sets out the applicable tariff treatment for each of the UAE's tariff lines, mostly immediate tariff elimination, and in a small number of cases tariff elimination phased over three years, tariff reduction, or no tariff preference. New Zealand commits in the Annex to eliminate all customs duties on qualifying imports from the UAE immediately upon entry into force of the CEPA.

4.1.2 Advantages

The advantages of this chapter and the associated tariff outcomes for New Zealand include:

New Zealand Goods Exports to the UAE

Under the NZ-UAE CEPA, all of New Zealand's goods export sectors will enjoy the best-available access into the UAE market from entry into force. This includes all New Zealand dairy exports (\$718 million), industrial products (\$237 million), red meat (\$46 million), horticulture (\$44 million), forestry (\$13 million), fisheries (\$8 million), wine (\$7 million) and honey (\$5 million).⁷

Ratification of the NZ-UAE CEPA will deliver immediate economic and commercial benefits for New Zealand goods exporters. Immediately on entry into force of the Agreement, 98.5% of current New Zealand goods exports will enter the UAE duty free, rising to 99% over three years.⁸ The remaining 1% of New Zealand's exports to the UAE, comprising sparkling and still wine 2L or below, will have preferential access to the UAE market through a 10% reduction to the current 50% MFN duty rate, coupled with an MFN commitment that New Zealand will always enjoy the lowest duty applied to any UAE trading partner in future. This means New Zealand wine will always enjoy the lowest available tariff into the UAE market.⁹

While the UAE maintains relatively low MFN tariffs, mostly at the 5% duty rate, only 11.4% of its tariff lines are MFN duty free (i.e. are subject to a standard applied duty of 0%). The remainder are subject to MFN tariffs of 5% or in a small number of cases, 10% or higher.

Tariff savings under the NZ-UAE CEPA, when calculated based on the standard MFN tariff, would be as high as NZ\$42.6 million per year at current trade levels (2021-2023 average

⁷ Figures are for the year ending June 2024.

⁸ Figures are based on UAE goods imports from New Zealand across a three-year average, from 2021-2023.

⁹ The CEPA commitments cover still wine and sparkling wine – but do not include bulk wine (i.e. wine in containers over two litres).

UAE imports from New Zealand).¹⁰ Beyond tariff savings on current trade, the NZ-UAE CEPA is expected to deliver opportunities to increase New Zealand's goods exports to the UAE due to the preferential access it grants to the UAE's growing market and the Agreement's broader trade-facilitating outcomes.

Table 2 UAE tariff commitments on imports of NZ goods

Tariff commitment	Tariff lines: % duty free	NZ exports to UAE: % duty free
Already MFN duty-free	11.4%	11.5%
Tariffs Eliminated on entry into force	97.9%	98.5%
Tariffs Eliminated over three years	98.1%	99.0%
Reduction / MFN commitment	98.2%	100%
No tariff preference	100%	100%

Table 3 Summary of outcomes for New Zealand exporters

UAE tariff commitment	Key export products liberalised	NZ exports to the UAE: Percentage by Category	NZ exports to the UAE: Overall Percentage
Already MFN duty free	Apples, chilled beef and sheepmeat, kiwifruit, infant formula, medicaments, gold ingots.	11.5%	11.5%
Duty free at entry into force	All products other than those listed below	87.0%	98.5%
Duty free within three years	Poultry (eliminated in three annual cuts)	0.5%	99.0%
Tariff reduction at entry into force*	Sparkling wine and still wine ≤2 litres	1%	100.0%
No tariff preference	Pork, other alcohol (beer, spirits, still wine ≥2 litres), tobacco, narcotics	0%	100.0%

* In addition to an immediate 10% tariff cut, the UAE committed to extend to New Zealand any further liberalisation it may grant to another FTA partner in future.

Source: UAE goods imports from New Zealand, 2021-2023 average

Imports from the UAE

The UAE was New Zealand's 13th-largest source of goods imports from 2021-2023, averaging approximately NZ\$1.2 billion.¹¹ While almost all UAE goods already enter New Zealand duty free (about 90% on average over the past three years), the remainder are subject to import duties of between 5% to 10%.

¹⁰ NB: The UAE currently applies a unilateral duty exemption programme, under which products can be imported without being subject to the UAE's standard MFN tariff – most notably on dairy products for further processing. As a result, and as long as this unilateral exemption – which, in the absence of the CEPA, the UAE could remove in respect of imports from New Zealand at any time – remains in force, the actual tariff savings would be significantly less than the \$42.6 million per year calculated using the MFN tariff.

¹¹ New Zealand imports from UAE, average 2021-2023.

An estimated NZ\$1.7 million in New Zealand customs duties on imports originating in the UAE will be immediately removed once the FTA enters into force. This will put UAE imports on a level playing field with those from other New Zealand FTA partners including Australia, ASEAN, China, Korea, CPTPP Parties, the United Kingdom, and the EU. New Zealand consumers may benefit from small reductions in the cost of imported products from the UAE, for example industrial products (carpets, glass bottles, and plastics), potentially making a contribution to easing cost of living pressures. In addition, businesses in New Zealand may benefit from cheaper inputs for incorporation into final products sold domestically and/or re-exported, and greater flexibility in sourcing and resilience in managing supply chains.

The cost of not entering into an FTA with the UAE

Without an FTA with the UAE, New Zealand goods exporters would continue to trade at a disadvantage into the UAE relative to many other trading partners. This would constrain New Zealand's ability to protect and grow market share relative to other competitors in the UAE market, especially with the UAE continuing to expand its network of preferential trade agreements, already 20 and counting. Not entering into an FTA with the UAE would, therefore, limit the scope to grow New Zealand's exports to this region. It would also limit the export diversification opportunity for many sectors of the New Zealand economy, as exporters would not enjoy the preferential access provided for under the Agreement.

Other advantages: chapter text

In addition to increased market access opportunities, the Trade in Goods chapter includes a range of provisions to help facilitate trade in goods. In keeping with many of New Zealand's other FTAs, both Parties have agreed to:

- uphold WTO rules in respect of import and export restrictions;
- transparency provisions, including for fees charged in relation to the import or export of goods (including a commitment these will not be on an *ad valorem* basis), and import and export licensing procedures;
- trade-facilitative rules for temporary admission of goods, and repaired or altered goods;
- establish mechanisms for Parties to raise and resolve concerns relating to any measures affecting goods trade (e.g. non-tariff measures); and
- establish a Sub-Committee on Trade in Goods responsible for the effective implementation and operation of the chapter and relevant commitments, including through the exchange of detailed trade statistics in order to monitor the functioning of the FTA – providing the means to identify gaps in utilisation and progressively maximise the benefits of the Agreement.

4.1.3 Disadvantages

New Zealand's commitment to eliminate all customs duties on UAE goods at entry into force of the Agreement is estimated to result in immediate foregone tariff revenue of approximately NZ\$1.7 million per annum.¹² This may expose some New Zealand industries and sectors to marginally more competition and create adjustment effects for domestic producers as a result of increased exposure to competition from goods imported from the UAE. Such effects are mitigated by the fact that New Zealand's economy is already largely open. Most goods imported into New Zealand already face no tariffs, with the few remaining in place set relatively low (mostly 5%, and none more than 10% - and further reduced by tariff concessions in place for many products¹³). In addition, these remaining tariffs have already been eliminated for imports from other New Zealand FTA partners including Australia, ASEAN, China, Korea, CPTPP Parties, the United Kingdom and the European Union.

No disadvantages have been identified for New Zealand from entering into an FTA with the UAE in respect of the customs duty elimination commitments made by the UAE to New Zealand. Where these tariff commitments have an effect, they would be beneficial: i.e. leading to improved competitiveness for New Zealand exporters into the UAE market. While the UAE did not eliminate tariffs on New Zealand wine, it has never done so in any of its CEPAs to date. Further, New Zealand secured the best-available access for wine into the UAE, through two reinforcing outcomes: a 10% reduction in tariffs from entry into force, and a commitment in a side letter to the CEPA to extend to New Zealand any further tariff liberalisation it may grant to any third party in a future trade agreement. This 'MFN' commitment ensures New Zealand will never be at a tariff disadvantage.¹⁴ While there are some products excluded from tariff elimination by the UAE, as is the case in all its CEPAs to date - pork and pork products, alcohol (other than wine), tobacco, and narcotics - none of these are of key New Zealand export interest to the UAE.

4.2 Chapter 3: Rules of Origin and Origin Procedures

4.2.1 Overview of the chapter

The Rules of Origin chapter establishes the rules to determine whether goods traded between the Parties under an FTA are considered to 'originate' in a Party, and therefore qualify for preferential tariff rates, and other benefits, provided in the agreement. All FTAs include such rules.

¹² Calculated based on New Zealand goods imports from the United Arab Emirates in 2022.

¹³ A tariff concession removes the tariff duty that would otherwise be payable for certain goods. These may be goods used for social, humanitarian or industry assistance purposes. Details are published by the New Zealand Customs Service here: <https://www.customs.govt.nz/business/tariffs/tariff-concessions/>.

¹⁴ The commitments on wine cover sparkling wine and still wine in containers 2 litres or below; bulk wine in containers over 2 litres is not subject to the tariff reduction or the MFN commitment. Bulk wine is not a priority for New Zealand to the UAE market.

4.2.2 Advantages

Under the Rules of Origin in the NZ-UAE CEPA, goods are originating (under Article 3.2) if they are:

- wholly obtained or produced entirely in the territory of either of the Parties (such as fruits, plants or animals);
- produced entirely in the territory of a Party, exclusively from originating materials; or
- produced entirely in the territory of a Party using non-originating materials, provided that the good meets the criteria set out in the Product Specific Rules (PSR) Annex.

Under the third option, the FTA's PSRs provide traders with alternative (co-equal) rules for most goods, based on a change in tariff classification (CTC) or value add (Regional Value Content or RVC, also referred to as Qualifying Value Content or QVC). These rules establish the level of production that needs to be undertaken on a non-originating good to give it originating status. For some goods there are three co-equal rules: a CTC rule, a RVC/QVC rule, and a process rule. Establishing co-equal rules in this way provides flexibility that enables a trader to choose which rule to use, depending on which approach best suits their business model and capability.

While Rules of Origin, in themselves, do not confer an advantage or disadvantage on the Parties to an FTA, they can be a key determinant in how easily producers, exporters and importers are able to utilise the preferential market access provided in an FTA. The NZ-UAE CEPA rules of origin meet New Zealand's objective of ensuring the rules are trade facilitating and will enhance trade.

Proof of origin document

Evidence of origin in the NZ-UAE CEPA can be through either a certificate issued by a competent authority, or through a self-declaration by an approved exporter. For the latter, a trader needs to be approved by the respective Party's Customs Authority to be able to self-declare. Self-declaration is New Zealand's preferred approach to evidencing origin as this reduces transaction costs for businesses trading under the Agreement, and as with other agreements, the use of self-declaration by approved exporters in the NZ-UAE CEPA is seen as a pathway to self-declaration by all producers and exporters. Further, a side letter to the CEPA provides a commitment that the UAE will extend to New Zealand any commitments on self-declaration, or commit to a review on self-declaration five years after entry into force.

To enable self-declaration, the Agreement contains an example declaration annexed to the chapter that can be completed as a self-declaration of origin.

Tolerance

Article 3.7 (Tolerance) provides a tolerance (also known as 'De Minimis' in some other free trade agreements) for a good to gain origin status even if it does not meet the applicable requirement in the PSRs (provided the good meets all the other applicable requirements of the chapter). The NZ-UAE CEPA applies a 15 percent value-based tolerance across all

goods, provided the applicable PSR is a CTC rule (i.e. this tolerance cannot be used to meet an RVC/QVC rule).

Cumulation of inputs

The rules in the NZ-UAE CEPA provide a means to allow materials to be cumulated between the two Parties during a production process (Article 3.6 Accumulation). At entry into force, accumulation is limited to bilateral cumulation, with only originating goods of a Party being applicable. However, recognising the forward-looking approach of the CEPA, article 3.6.3 provides for a review clause committing New Zealand and the UAE, within five years of entry into force, to consider how cumulation could be extended in the future.

Flexibility in the transport and storage of goods being transported between New Zealand and the UAE

Article 3.17 sets out the non-alteration provisions in the Agreement (also known as 'direct shipment' or 'direct consignment' in some New Zealand FTAs) and specifies the controls applied to goods transiting through a third country while being transported between New Zealand and the UAE. The rules allow a good to retain origin status, and still qualify for preferential tariff rates, despite having been in transit in a third party - valuable for New Zealand exporters given our distance to the UAE market.

The Agreement provides controls that goods transiting through a third party must adhere to (the goods are not released into free circulation and only undergo certain processes). Provided these controls are met, the length of time a good can spend in transit is not limited. This provides additional flexibility for New Zealand exporters. For example, a business may undertake a variety of minor processes to ready their goods for a local market including repacking, labelling, or even bottling.

Minor errors or discrepancies in origin documents do not invalidate those documents

Article 3.29 (Minor Errors and Discrepancies) ensures that minor errors or discrepancies in documentation cannot be the sole reason to render origin documents invalid, provided these errors or discrepancies do not bring the origin of the goods into doubt. In addition, where a document is illegible or defective, the importer will have 30 days to resubmit the document to the Customs authority of the importing Party. These provisions are important because if traders' documentation is rendered invalid by the importing Customs authority, the necessary information to verify origin status under an FTA could be deemed 'not provided' and the imported good therefore disqualified from accessing preferential tariff rates under the CEPA.

4.2.3 Disadvantages

There are no substantive disadvantages for New Zealand resulting from the Rules of Origin chapter. The only minor disadvantages relate to the fact that compared to some of New Zealand's other free trade agreements:

- the NZ-UAE CEPA has some restrictions around who can make a self-declaration, in that it is open only to authorised exporters from entry into force (though with a side letter committing to two possible pathways to extend this to all exporters), and

- the accumulation article does not provide for full cumulation, with this being subject to a future review that may or may not result in full cumulation being adopted.

In both cases, however, the UAE has not agreed in any previous CEPA to a better outcome than what it agreed with New Zealand.

4.3 Chapter 4: Customs and Trade Facilitation

4.3.1 Overview of the chapter

The Customs and Trade Facilitation chapter provides for more efficient and transparent customs procedures that will support an increase in trade between the UAE and New Zealand. It promotes the use of advanced electronic data and electronic systems to facilitate trade. The chapter contains commitments to release goods within clear timeframes to provide traders with certainty, with goods in general being released immediately upon fulfilment of customs requirements and procedures, and within 48 hours of arrival – while perishable products will be released within six hours of arrival, provided all necessary requirements have been met.

The chapter establishes the framework the Parties' customs authorities will operate under to facilitate trade. The chapters build on the commitments in the WTO Agreement on Trade Facilitation and extends these obligations in certain areas.

Collectively, these commitments are aimed at facilitating the flow of goods across borders, including through ensuring customs procedures and practices are consistent and transparent.

4.3.2 Advantages

The enhanced commitments in the chapter will benefit exporters through increased efficiency at the border and expedited release of goods. The chapter aims to simplify and minimise the complexity of import, export and transit formalities and documentation requirements by ensuring that they are adopted and applied with a view to a rapid release of trade, and in a manner that aims to reduce the costs of compliance for traders.

Paperless communication

Each Party has committed to facilitating the bilateral exchange of international trade data and expediting procedures for the release of goods trade facilitation by providing an electronic environment that supports business transactions (Article 4.7). Parties will endeavour to implement and promote their single window, and info submitted through the single window will not be requested except in urgent circumstances. (Article 4.8).

Publication of information

The Agreement requires the Parties to publish online relevant laws, regulations, guidelines, procedures, and administrative rulings on a wide range of trade-related areas (Article 4.5). This information may include:

- import, export and transit procedures (including required forms and documents);

- rates of duties and taxes imposed on or in connection with importation, exportation or transit;
- any fees and charges imposed by Government agencies on or in connection with importation, exportation or transit;
- import and export restrictions and prohibitions; or
- appeal and review procedures.

Further, each Party shall, to the extent practicable, ensure that new or amended laws and regulations of general application related to customs matters are published, or information on them made publicly available, as early as possible before entry into force, to enable interested parties to be advised of them. Exceptions to that obligation are contained in Article 4.5.5. This allows Parties to move quickly to provide relief in disaster situations such as COVID-19 or severe weather events.

Advance rulings

The UAE CEPA requires the Parties to provide advance rulings on the origin and classification of goods, and the valuation method used under a particular set of facts (Article 4.9). These rulings provide greater certainty and predictability for New Zealand exporters, and make compliance with customs laws and regulations and requirements easier. New Zealand businesses often report that uncertainty about the treatment of their goods can represent a significant cost or barrier to trade. The Agreement also clarifies the set of circumstances under which an advance ruling may be amended or revoked.

Release of goods

The chapter sets an expectation that goods will be released immediately upon receipt of the customs declaration and fulfilment of all applicable requirements, and within 48 hours of arrival (Article 4.11). Further, of particular relevance to New Zealand, the Agreement recognises fast-tracked clearance for express shipments (Article 4.12), as well as perishable goods (Article 4.13) such as seafood or fresh fruit and vegetables. Perishable goods are to be released within six hours of arrival, provided all requirements have been met, and will also be given appropriate priority when scheduling any required examinations (Article 4.13.2 (c)).

The improved predictability and transparency of importing and exporting processes are particularly significant for economies such as New Zealand with a large proportion of small and medium-sized businesses (SMEs). This is because higher trade administration and transaction costs are a bigger challenge for SMEs than for larger enterprises.

4.3.3 Disadvantages

No disadvantages have been identified for New Zealand resulting from the Customs Procedures and Trade Facilitation chapter.

4.4 Chapter 5: Trade Remedies

4.4.1 Overview of the chapter

Trade remedies allow governments to provide temporary relief to domestic industry from injurious trade practices resulting from unfair pricing behaviour from overseas exporters or an unexpected surge in imports. WTO rules cover three types of trade remedy:

- anti-dumping duties: these can be applied, in certain circumstances, if the “export price” on an imported good is lower than its “normal value”. An “export price” is the price an importer pays for the goods. The “normal value” is the price the goods sell for in the country of export;
- subsidies and countervailing measures: WTO rules seek to limit trade-distorting subsidies, and allow governments to impose additional tariffs/duties (known as anti-subsidy or countervailing duties) to offset the use of such subsidies; and
- safeguard action: temporary measures which can be applied to allow domestic producers to adjust to sudden surges in imports.

Under the NZ-UAE CEPA, New Zealand and the UAE agree to retain their rights and obligations under the relevant WTO trade remedies agreements. The CEPA also includes additional provisions for transparency and best practice in trade remedy investigations. This includes providing for the application of the ‘lesser duty rule’ when imposing antidumping duties.¹⁵ These provisions reaffirm New Zealand’s current policy and practice.

4.4.2 Advantages

The Trade Remedies chapter enhances the interests of New Zealand exporters if ever subjected to a trade remedy action by the UAE. WTO rules will continue to apply to the application and administration of anti-dumping and countervailing duties and to global safeguards measures on trade between the Parties. However, it also includes additional provisions for the fair, robust and transparent conduct of trade remedy actions, which support New Zealand’s current practice and provides a greater level of assurance to our exporters that they can defend their interests if ever subjected to a trade remedy action by the UAE.

A key advantage of this chapter is that the tariff commitments in the goods chapter are not paired with a bilateral safeguard measure (BSM) – delivering greater certainty as to the tariff outcome. It is a common feature in free trade agreement negotiations that the elimination or reduction of tariffs is only agreed to on the basis that an injury-based bilateral safeguard measure (that temporarily adjusts the customs duty applying to the good concerned to remedy the injury) is also part of the agreement. As New Zealand’s economy is open and we are unlikely to ever use a BSM, this kind of provision generally does not advantage New Zealand as our industries are already accustomed to international competition, and the imposition of a BSM by an FTA partner can temporarily undermine New Zealand exporters’ access to that FTA partner’s market.

¹⁵ This means that when one Party applies an anti-dumping duty, the amount of that duty cannot be more than the margin of dumping; but where the injury to the domestic industry can be removed by a duty smaller than the margin of dumping, the Party shall apply this amount - i.e. the ‘lesser duty’.

4.4.3 Disadvantages

New Zealand would not be disadvantaged by entering the NZ-UAE CEPA with respect to trade remedies. New Zealand uses trade remedies sparingly, reflecting our already open economy and internationally competitive businesses. The Trade Remedies chapter would not impose any additional obligations or changes to New Zealand's current practice.

4.5 Chapter 6: Sanitary and Phytosanitary Measures

4.5.1 Overview of the chapter

The Sanitary and Phytosanitary (SPS) chapter reaffirms, and where relevant builds on, the rights and obligations under the WTO SPS Agreement.

The chapter codifies two existing Sanitary and SPS Memoranda of Understanding (MOUs), which recognise the equivalence of New Zealand's food safety and biosecurity measures as achieving the public, animal and plant health outcomes of the UAE. In effect, this means that for the purposes of exports to the UAE, products produced in accordance with New Zealand's SPS regulatory requirements are deemed to have satisfied the UAE's SPS requirements. This formal recognition streamlines trade in primary products and food.

Under a side letter, the two Parties committed to cooperation on antimicrobial resistance.

4.5.2 Advantages

The Sanitary and Phytosanitary (SPS) chapter builds on the close, effective cooperation and trust established between relevant competent authorities under the existing Sanitary and SPS MOUs signed in 2016, now incorporated into the NZ-UAE CEPA.

The chapter affirms New Zealand's rights under the WTO SPS Agreement, and sets out the relationship between the NZ-UAE CEPA SPS chapter and the WTO SPS Agreement.

Importantly, the chapter recognises the principle of equivalence of SPS measures where the exporting country objectively demonstrates that its measures achieve the importing country's appropriate level of protection. The chapter codifies equivalence determinations set out in the existing Sanitary and SPS MOUs. These formally recognise New Zealand's food safety and biosecurity measures as achieving the public, animal and plant health outcomes of the UAE.

The chapter also recognises that adaptation to regional conditions, including regionalisation¹⁶, is an important means to facilitate trade. It sets out the principles that will be applied when assessing a request for a determination regarding adaptation to regional conditions and requires the Parties to take account of standards, guidelines and recommendations developed by the WTO SPS Committee and relevant international standard-setting bodies when making a determination.

¹⁶ Regionalisation refers to the process developed in the WTO's SPS Agreement of adapting SPS measures to regional conditions (including pest- or disease-free areas and areas of low pest or disease prevalence).

The chapter provides mechanisms to discuss and resolve incidents where either side considers that a measure or draft measure, or its implementation, is inconsistent with the obligations in the chapter. The chapter envisages cooperation between respective New Zealand and UAE experts in the development of international approaches on SPS issues, including those that may constitute an unwarranted barrier to trade. Both Parties continue to be able to adopt emergency measures to address urgent problems of human, animal or plant health protection.

Separately, a side letter on Antimicrobial Resistance (AMR) recognises AMR as a serious threat to human and animal health and provides for enhanced cooperation. The side letter recognises the Parties' common objectives in the area of antimicrobial resistance and acknowledges that the Parties' respective antimicrobial regulatory standards, guidelines and surveillance systems are designed to deliver comparable controls and health outcomes.

4.5.3 Disadvantages

There are no disadvantages identified for New Zealand from this chapter. All the disciplines in the SPS Chapter are consistent with current New Zealand regulatory settings.

4.6 Chapter 7: Technical Barriers to Trade

4.6.1 Overview of the chapter

The Technical Barriers to Trade (TBT) chapter seeks to facilitate trade in goods by addressing the trade barriers and costs that may be associated with technical regulations, conformity assessment procedures and standards. The Chapter builds on the Parties' rights and obligations under the WTO Agreement on Technical Barriers to Trade (TBT Agreement), establishing a high-quality framework for alignment, engagement and cooperation between the Parties in developing and recognising technical regulations and conformity assessment procedures.

The approach taken in the TBT chapter is broadly aligned with New Zealand's policy settings and the outcomes achieved in the TBT chapters of New Zealand's existing free trade agreements.

The rules contained in the chapter, and any reservations New Zealand has placed against those rules, are similar to New Zealand's existing obligations in other Free Trade Agreements (including CPTPP, the NZ-UK FTA and the NZ-EU FTA).

The TBT chapter's provisions, including provisions that go beyond New Zealand's WTO obligations (e.g. conformity assessment and transparency), are consistent with New Zealand's existing regulatory regime, in that they are already fulfilled through New Zealand's implementation of other free trade agreements with similar provisions.

4.6.2 Advantages

The diversity of regulatory measures among countries can make it difficult and expensive for exporters to understand and comply with the different requirements in each market. This can impede trade by significantly increasing transaction and compliance costs, particularly when regulations are more trade restrictive than necessary to achieve a legitimate objective or are developed in a non-transparent way.

The TBT chapter enhances efforts to address these issues and facilitate trade in goods between New Zealand and the UAE through provisions to:

- improve transparency, information sharing and engagement between the Parties on proposed technical regulations and conformity assessment procedures, enabling early input into and understanding of technical regulations and conformity assessment procedures;
- encourage, where appropriate, agreement of equivalence arrangements recognising the technical regulations of one Party as meeting the same objectives to the technical regulations of the other, reducing unnecessary duplications of compliance costs; and
- encourage, where appropriate, negotiation of arrangements for the mutual recognition of both Parties' conformity assessment procedure results, again reducing unnecessary duplication of compliance costs.

Successful measures would support New Zealand exporters in trading into the UAE, and New Zealand consumers by providing them with access to a wider range of imports from the UAE.

4.6.3 Disadvantages

Implementation of certain transparency and cooperation provisions (e.g. exchange of information, and negotiation of arrangements for mutual recognition) directly in relation to the UAE will require additional time and resource. The Agreement seeks to minimise the additional cost of fulfilling these requirements where possible (e.g. by agreeing to engage/exchange information by request rather than on a set timeframe).

4.7 Chapter 8: Investment Chapter

4.7.1 Overview of the chapter

The Investment chapter encourages each Party to promote investment in its territory through cooperation and exchanges between the Parties on matters of mutual interest. It includes provisions to promote investment in decarbonisation and clean technologies, as well as investment in partnership with Māori.

The chapter's provisions seek to ensure that the Parties will create regulatory conditions that are favourable to facilitating long-term investments by ensuring relevant measures are administered in an impartial and reasonable way and that the regulation making process is fair and transparent to investors.

The chapter includes provisions on investment and the environment to encourage New Zealand and the UAE to promote and support investment and environmental outcomes. The chapter encourages each Party to promote investment in its territory through cooperation and exchanges between the Parties on matters of mutual interest. It includes provisions to promote investment in decarbonisation and clean technologies, as well as investment in partnership with Māori.

Its provisions seek to ensure that the Parties will create regulatory conditions that are favourable to facilitating long-term investments by ensuring relevant measures are administered in an impartial and reasonable way and that the regulation making process is fair and transparent to investors.

The chapter also acknowledges that in addition to the provisions set out in the Investment chapter, the Parties concluded, concurrently with the CEPA, a separate Bilateral Investment Treaty (BIT).

4.7.2 Advantages

Combined, the BIT and CEPA Investment chapter will benefit New Zealand investors by providing greater transparency and improved conditions for investments and doing business in the UAE. Improved conditions for investment are also important for many New Zealand goods and services exporters, who increasingly look to undertake investment activities to support their international business.

The BIT may foster outward direct investment (ODI) from New Zealand to the UAE by helping investors navigate the UAE investment regulatory system. Likewise, the BIT may also foster investment from the UAE into New Zealand – providing another source of capital for New Zealand, helping New Zealand strengthen and build its competitive and productive economy. Concluding a high-quality BIT with the UAE will be an important sign to UAE investors that New Zealand is an attractive, stable and transparent investment environment.

The UAE has committed to extend to New Zealand any future liberalisation agreed in a subsequent international investment agreement through a most-favoured-nation clause (a commitment New Zealand has also made), future proofing the Agreement.

Consistent with New Zealand's established position, the BIT does not contain Investor-State Dispute Settlement (ISDS) – a dispute resolution mechanism that allows investors to pursue remedies directly against governments in relation to breaches of investment provisions.

4.7.3 Disadvantages

The obligations in the BIT will facilitate and protect investment flows between New Zealand and the UAE and will not create additional legal obligations on New Zealand. This is because existing agreements and customary international law are already reflected in New Zealand's investment policy regime.

The BIT only applies to the post establishment phase of investment and market access elements are not included in the Agreement. This means that the obligations contained within the BIT do not apply to the establishment of an investment and therefore New Zealand investors will not benefit from the rules until the investment has been made.

While the non-inclusion of ISDS is New Zealand's preferred outcome, the UAE has a high number of BITs with other countries, of which the vast majority contain ISDS provisions, meaning New Zealand investors will not have access to this mode of recourse in the event of a breach by the UAE, unlike other BITs. A New Zealand investor would still have the same rights as domestic investors, and the Agreement does contain state-to-state dispute settlement.

4.8 Chapter 9: Trade in Services

4.8.1 Overview of the chapter

The Trade in Services chapter will establish a high quality and balanced framework of services rules to govern the services relationships between New Zealand and the UAE, and to facilitate the flow of services between the two countries through a stable and transparent framework.

The rules contained in the chapter, and any reservations New Zealand has placed against those rules, are similar to New Zealand's existing services obligations in other free trade agreements (including CPTPP, the NZ-UK FTA and the NZ-EU FTA). Additionally, consistent with government policy, the NZ-UAE CEPA does not include Investor-State Dispute Settlement (ISDS) and retains space for Government to regulate into the future.

Services market access commitments are recorded in the NZ-UAE CEPA through a 'positive list' framework. This means that the rules in the chapter only apply to those sectors specifically listed in each Party's 'Schedule of Specific Commitments'. Each Party is able protect cross-cutting sensitive policy areas, such as investment screening, by listing these policies in the 'limitations' columns, thereby excluding them from the chapter rules.

This format provides exporters and investors with a simple way to determine whether the services and investment chapters apply to their area of business between New Zealand and the UAE, and the specific nature of any restrictions that may apply.

4.8.2 Advantages

The United Arab Emirates is New Zealand's 47th-largest services export market, with exports of NZ\$27 million in the year to June 2024 (down from 20th-largest, worth NZ\$156 million, pre-COVID in the year to December 2019). Key exports included travel and tourism, business services, government services¹⁷, telecommunications services, and charges for the use of intellectual property¹⁸.

¹⁷ Government services include services supplied to and from governments, embassies, military bases, and international organisations that are not included in other services categories.

¹⁸ Charges for the use of intellectual property includes charges for the use of proprietary rights (such as copyrights) and licenses to distribute intellectual property (such as software licenses).

New Zealand services suppliers – both those currently active in the United Arab Emirates and those looking to develop exports to the region – will benefit from the greater certainty and predictability of access the commitments the UAE has made under the CEPA. This will make it easier for New Zealand service exporters, such as providers of professional, business, education, environmental, transportation and distribution services, to identify and take up new opportunities in the UAE and increase their competitiveness and profitability.

This is particularly the case for New Zealand services suppliers active in sectors or sub-sectors where the UAE's commitments in the CEPA go beyond those made in the UAE's WTO GATS schedule (i.e. 'GATS-plus' commitments). These include areas such as education, aviation services, such as ground handling services and speciality air services, and areas relating to the computer gaming and audio-visual sectors. These improved commitments for services are also important for many New Zealand goods exporters, both concerning their own services-related activities where applicable, and to provide access to competitive services in support of their goods exports, including in the areas of transport, ICT and business and professional services.

The Trade in Services chapter rules ensure that the UAE treats New Zealand services suppliers on equivalent terms to their own domestic firms in committed sectors, with few exceptions. This is of particular importance to New Zealand services suppliers wanting to provide cross-border services to the region.

Both Parties also committed to provide Most-Favoured Nation treatment to listed sectors, meaning that each Party will provide service suppliers of the other Party any more favourable treatment that it may agree with a third country in future. For New Zealand service exporters, it will ensure that for those sectors in the UAE's MFN Sectoral Coverage Appendix, New Zealand exporters will always be able to access the best treatment the UAE offers its trade partners. For those sectors not included in the MFN Appendix, either Party may request negotiations to incorporate into the Agreement any better treatment the other Party may provide service suppliers of a third country.

In addition, the UAE and New Zealand agreed to enhanced domestic services regulation rules, which will ensure that each Party's rules regarding authorisation to supply services – specifically those concerning licensing requirements and procedures, qualification requirements and procedures, and technical standards – are developed and administered in a reasonable, transparent, objective, and impartial manner. New Zealand services suppliers benefit from a regulatory environment based on clear, objective and impartial rules for, and decisions on, matters affecting trade in services in international markets.

Importantly, New Zealand retained its reservation preserving policy space to protect and promote Māori rights and interests in relation to electronically enabled trade. The reservation reinforces New Zealand's general Treaty of Waitangi exception that applies across the CEPA to allow New Zealand to provide treatment more favourable to Māori, and proactively ensures the Government can regulate to promote and protect Māori interests in the digital space, including the digital provision of services.

4.8.3 Disadvantages

The core obligations in the Cross-Border Trade in Services section are consistent with similar commitments New Zealand has made in the WTO (under the GATS) and in recent FTAs, including the NZ-UK FTA and the NZ-EU FTA – there are no disadvantages in replicating these obligations in the NZ-UAE CEPA. In services sectors or sub-sectors where New Zealand has made market access or other commitments in Trade in Services in addition to those offered to other FTA partners (e.g. port operation services), none of these go beyond existing New Zealand regulatory settings, so would not entail any change to regulations. It is also important to note that in return, the UAE made commitments that go beyond its existing GATS commitments in a number of areas of New Zealand commercial interest including education services, audio-visual services, and environmental services, delivering additional certainty and predictability for New Zealand services suppliers seeking to operate in the UAE market.

4.8.4 Financial Services Annex

The Financial Services Annex in the NZ-UAE CEPA incorporates the GATS Financial Services Annex, and therefore simply brings into the Agreement rules New Zealand and the UAE are already bound to adhere. As such, there are no inherent advantages (other than bringing these rules within the auspices of the CEPA) or disadvantages to this Annex.

4.8.5 Telecommunications Services Annex: Advantages

The NZ-UAE CEPA Telecommunications Services Annex sets out regulatory disciplines that underpin effective market access and competitive markets in telecommunications services between New Zealand and the UAE. The UAE and New Zealand recognise that telecommunications services are an important infrastructure enabler for trade in goods and services, as well as a distinct services sector. Better connectivity helps facilitate services delivery and digital trade, and enables more inclusive participation in global trade. The Annex builds on the disciplines developed in the WTO (under the GATS Telecommunications Annex), extending and updating these GATS regulatory disciplines to reflect the developments in approaches to the regulation of markets since the conclusion of the GATS in the 1990s (including through drawing on concepts and approaches in the more recent CPTPP Telecommunications chapter).

All the disciplines in the UAE CEPA Telecommunications Services Annex are consistent with current New Zealand regulatory settings.

It also provides New Zealand telecommunications services suppliers with greater certainty that telecommunications regulation in the UAE will be transparent, objective and non-discriminatory. Disciplines that ensure telecommunications services are readily accessible and competitive provide value not only for telecommunications suppliers, but also for New Zealand businesses operating offshore, whether to facilitate operations, enable service delivery or to connect with customers.

4.8.6 Telecommunications Services Annex: Disadvantages

The obligations in the telecommunications annex are consistent with similar commitments New Zealand has made in the WTO (under the GATS) and in FTAs, including CPTPP – there are no disadvantages in replicating these obligations in the NZ-UAE CEPA.

4.9 Chapter 10: Digital Trade

4.9.1 Overview of the chapter

The Digital Trade chapter aims to create an environment that removes barriers to digital trade, supports business and consumer confidence in engaging in digital trade, and promotes the use of digital tools to facilitate trade in all digital and non-digital goods and services.

4.9.2 Advantages

The Digital chapter promotes the adoption of common and interoperable regulatory standards to reduce the transaction costs of digital trade, including for those using digital tools, to facilitate trade in digital and non-digital goods or services. This includes supporting the use of e-authentication, e-invoicing, and e-payments as well as promotion of paperless trade to reduce the time and costs imposed on exports by clearing paper-based customs requirements at the border.

The Chapter also limits unnecessary barriers to digital trade, including through requirements for the free flow of data across borders and prohibiting requirements for the localisation of data storage and processing (subject to appropriate exceptions including privacy and security in both cases), and provides protections against unnecessary disclosure requirements for exporters of products that use cryptography.

Recognising the importance of cross border electronic commerce, the chapter prohibits the imposition of customs duties on electronic transmissions and prevents each Party from discriminating against the digital products of the other Party as compared to similar digital products from anywhere else.

In addition, the chapter promotes consumer confidence in the use digital trade, including through promoting measures for online consumer protection, privacy, and the reduction of SPAM; and promotes the role of digital technology in advancing efficient Government operations and the quality of Government services and recognising the economic and social benefit of ensuring minimal digital standards for any data the Government elects to make openly available.

To ensure appropriate balance, the chapter also carves out a number of key areas from the application of the chapter, including any service supplied by the Government, financial services (other than for the e-payment article) and any measure that New Zealand deems necessary to protect or promote Māori rights, interests, duties and responsibilities. This is in addition to the Treaty of Waitangi and other exceptions that that apply across the whole Agreement.

4.9.3 Disadvantages

The majority of the provisions of the Digital Trade Chapter are the same as, or similar to, provisions found in the Digital Economy Partnership Agreement (DEPA) and digital trade commitments in other existing trade agreements. The chapter will not require New Zealand to make any changes to existing policy settings. It also provides New Zealand a broader carveout to address future policy developments than is found in other existing agreements. As such, there are no disadvantages for New Zealand in this chapter.

4.10 Chapter 11: Government Procurement

4.10.1 Overview of the chapter

The Government Procurement chapter will place New Zealand businesses on a firmer and more equitable footing vis-à-vis both the UAE domestic suppliers and those from existing UAE CEPA partners including Chile, Korea, Costa Rica and Australia, when competing for government procurement contracts in the UAE. The Chapter will not give rise to any changes to New Zealand's current domestic procurement policy settings.

4.10.2 Advantages

The Government Procurement chapter text includes binding obligations on non-discrimination and national treatment (subject to a 10% price preference for UAE SMEs¹⁹), a range of transparency obligations, and procedural requirements that provide for open and competitive tendering. These obligations apply to procurement of goods and services by the entities listed in each Party's schedule for contracts at or above a value threshold of 134,000 Special Drawing Rights (equivalent to approximately NZ\$298,000 NZD).

Both Parties provide comprehensive coverage of central government procurement (local authorities and other entities such as State-owned enterprises are not covered). Coverage of goods by both Parties is comprehensive, services are limited to those covered in the Trade in Services chapter of the Agreement. New Zealand has limited its services coverage to match that offered by the UAE. There is no coverage of construction services or public-private partnerships by either Party.

4.10.3 Disadvantages

The market access outcome is modest but is on par with such outcomes in the UAE's other CEPAs that include government procurement market access commitments. Entity coverage is limited to central government only. Goods coverage, while comprehensive, excludes medicines and medical supplies and services coverage is limited to the services coverage in the Trade in Services chapter and subject to the limitations and conditions in that chapter. There is no coverage of construction services or public-private partnership contracts (although these are covered under the UAE Annex to the Government

¹⁹ As provided for by UAE Federal Law No. 2 of 2014 on Small and Medium Enterprises (SMEs), reflected in Section E of the UAE's Government Procurement schedule to the CEPA.

Procurement chapter of the NZ-GCC FTA – giving New Zealand companies the ability to access these contracts).

There is a specific UAE reservation allowing for a 10% price preference for its SMEs. Other UAE reservations include defence and security related procurement, procurement related to overseas premises, procurement of a commercial nature and medicines and medical supplies (for which a specific procurement regime applies, but is covered under the UAE Annex to the Government Procurement chapter of the NZ-GCC FTA – giving New Zealand companies the ability to access these contracts).

4.11 Chapter 12: Competition

4.11.1 Overview of the chapter

The objective of the Competition Policy chapter is to recognise the importance of creating and maintaining competitive markets to promote economic efficiency and consumer welfare. This chapter requires New Zealand and the UAE to maintain competition laws that prohibit anti-competitive conduct, and to maintain authorities responsible for enforcing competition laws. However, both countries retain the flexibility to introduce exemptions or exclusions in their competition laws, retaining New Zealand policy space.

4.11.2 Advantages

A robust competition regime in the UAE is crucial for New Zealand to fully benefit from the increased flows of goods and services under this Agreement. Without such protections, cross-border anti-competitive practices could compromise these benefits. Anti-competitive behaviour can distort markets, restrict trade and investment, and erode potential gains.

The Competition chapter ensures a high standard for each country's competition frameworks, including provisions for procedural fairness, which will enable New Zealand businesses and individuals' to effectively protect their right to seek redress for any anti-competitive practices encountered in the UAE. Additionally, the chapter provides for coordination between the UAE and New Zealand (including their respective competition agencies) in maintaining and implementing competition laws.

4.11.3 Disadvantages

No significant disadvantages would arise from this chapter for New Zealand. New Zealand has a well-developed and well-functioning competition law and enforcement regime. As such, New Zealand would not need to amend its competition laws or policy to meet these requirements. The Commerce Act 1986 prohibits anti-competitive conduct, and the Commerce Commission is primarily responsible for enforcing the Act.

4.12 Chapter 13: Intellectual Property

4.12.1 Overview of the chapter

The Intellectual Property chapter affirms the UAE's and New Zealand's existing obligations under the WTO Agreement on Trade-Related Intellectual Property (TRIPS) and other international intellectual property agreements, and includes provisions that are consistent with those agreements and New Zealand's existing intellectual property and consumer protection laws and policies.

4.12.2 Advantages

The obligations affirm New Zealand's existing obligations under TRIPS and other international intellectual property agreements, and are consistent with New Zealand's existing intellectual property and consumer protection laws and policies.

The chapter allows for cooperation between the UAE and New Zealand on intellectual property issues, subject to availability of relevant resources.

The chapter also recognises each Party's ability to establish appropriate measures to protect genetic resources, traditional knowledge, and traditional cultural expressions subject to its international obligations and domestic law.

An additional feature is the inclusion of a consultation mechanism, where New Zealand can request consultations to seek a timely and mutually satisfactory solution on any intellectual property obligation within the scope of the Agreement that are not being met or fulfilled.

4.12.3 Disadvantages

The Intellectual Property chapter does not give rise to any significant disadvantage for New Zealand. The provisions of the chapter are consistent with New Zealand's existing international commitments (including under TRIPS) and domestic policy settings. New Zealand does not need to amend any laws or policy to meet the requirements of the chapter.

4.13 Chapter 14: Trade and Sustainable Development

4.13.1 Overview of the chapter

In the Trade and Sustainable Development (TSD) chapter, New Zealand and the UAE mutually support trade and sustainable development policies, including those focused on labour, environment, climate change and women's economic empowerment. The TSD chapter provides a framework for engagement and cooperation on areas of shared interest. While the provisions of the chapter are not as significant as those in New Zealand's recent FTAs with the UK and EU, it is the most ambitious trade and sustainable development outcome in any CEPA the UAE has negotiated to date.

The chapter demonstrates the commitment New Zealand and the UAE have to addressing global issues of major concern (such as climate change). The chapter also highlights the ongoing efforts both sides are making to support the international system to tackle these issues.

4.13.2 Multilateral Agreements (Article 14.3) – Advantages

The Parties recognise the importance of multilateral agreements which guide, promote and reinforce trade and sustainable development. The chapter reinforces the mutual supportiveness between trade and environmental laws and policies. This chapter provides a platform for New Zealand and the UAE to cooperate bilaterally and in international settings to protect the environment.

Under the chapter, the Parties affirm their commitment to promote international trade in a way that is conducive to decent work for all, as expressed in the International Labour Organization (ILO) Declaration on Social Justice for a Fair Globalization. Equally, the TSD chapter recognises that the violation of fundamental principles and rights at work cannot be used as a comparative advantage, and that labour standards should not be used for protectionist trade purposes.

Disadvantages

While the multilateral agreements article is not at the same level of ambition on labour, environment and climate change as New Zealand's FTAs with the UK and EU, the Trade and Sustainable Development chapter provides a solid basis to support decent work outcomes.

4.13.3 General Provisions (Article 14.4) – Advantages

Under the chapter, the Parties recognise that it is important to effectively enforce their environmental and labour laws. To help ensure that New Zealand exporters are able to trade on a more level playing field, the chapter commits the Parties to endeavour to take steps to ensure that they don't use environmental or labour laws and measures for protectionist trade purposes between them or encourage trade and investment by weakening or reducing the protection afforded in their respective environment and labour laws.

Disadvantages

These general provisions are consistent with New Zealand's commitments in a number of other FTAs. While dispute settlement is not applied to this chapter, it still works to protect New Zealand exporters' trade interests in the UAE.

4.13.3 Trade and Labour (Article 14.5) – Advantages

In the labour area, the provisions are designed to promote mutually supportive trade and labour regulations, policies and practices, including through reinforcing and implementing internationally recognised labour rights. The chapter affirms the Parties' commitments as members of the ILO, including a commitment to adopt and maintain the ILO Fundamental Principles and Rights at Work, and to regulate for decent working conditions.

The Article also facilitates cooperation between the Parties on trade and labour matters. This includes sharing information and experiences to address forced labour, and encouraging enterprises to adopt responsible business conduct practices related to labour.

Disadvantages

The labour provisions are consistent with New Zealand's commitments in a number of other FTAs, though not as strong as seen in New Zealand's recent FTAs, and without the application of dispute settlement across the entire chapter. Nevertheless, the flexibility of the labour provisions allows New Zealand to focus on important issues of mutual interest as they arise.

The exclusion of the sustainable development chapter from the application of formal dispute settlement provisions (including recourse to trade sanctions) limits the Parties' ability to use arbitration to resolve differences. However, consistent with a number of New Zealand's existing trade agreements that include sustainable development provisions, this chapter provides a process for raising and discussing issues.

4.13.4 Trade and Gender (Article 14.6) – Advantages

Provision of a Women's Economic Empowerment article in the Agreement underlines the important role of women and women's economic empowerment in advancing sustainable and inclusive economic growth and development.

The chapter promotes women's inclusion in trade and investment and is intended to support the empowerment of all women through increasing women's participation in international trade and investment. Of importance, the Women's Economic Empowerment article recognises that it is important to adopt, maintain and implement women's economic empowerment laws, regulation and policies and best practice in line with the Sustainable Development Goals (SDGs). The chapter recognises the importance of international obligations such as the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW), the Beijing Declaration and Platform for Action, and the Buenos Aires Declaration on Trade and Women's Economic Empowerment.

The chapter provides opportunities for cooperation activities in areas of mutual interest, promoting the exchange of information and best practice examples, and fostering women's entrepreneurship.

In line with te Tiriti o Waitangi/the Treaty of Waitangi, the Chapter explicitly mentions providing opportunities for wāhine Māori to engage in trade activities including with a Te Ao Māori framework.

Disadvantages

There are no significant disadvantages in the Women's Economic Empowerment article.

4.13.5 Trade and Climate Change (Article 14.7) – Advantages

Provisions on trade and climate change in the CEPA reinforce the commitments both Parties have made under the United Nations Framework Convention on Climate Change and the Paris Agreement. Reflecting a shared commitment to international legal norms and action

on climate change, New Zealand and the UAE agree to cooperate bilaterally and in international fora on trade-related aspects of climate change policies and measures.

The Chapter includes obligations to promote mutual supportiveness between trade and climate policies, promote emissions trading and policies regarding food systems and agriculture to support the achievement of climate change goals.

Disadvantages

There are no significant disadvantages in the trade and environment articles in this Agreement. However, while the CEPA includes provisions on trade and sustainable development that are an advance for the region, they fall short of the most ambitious outcomes in New Zealand's recent trade and trade-related agreements with the UK, EU, and IPEF, reflecting the different regional context. New Zealand will continue to work to advance our interests and leadership role on the environment and climate change, including in negotiating future trade agreements.

4.13. Trade and Environment (Articles 14.8 –14.15) – Advantages

The chapter agrees to coordination and common principles in areas of mutual interest such as forestry, fisheries, sustainable agriculture and conservation of biological diversity. The article on Sustainable Natural Resources provides a platform for the Parties to discuss environmentally harmful subsidies, understand their implications and cooperate to address environmental harm and reform. Novel to the UAE, the chapter recognises the importance of providing financial support to policies and practices that support environmental outcomes and notes that this funding can come from repurposing the financial support provided to subsidies.

In line with te Tiriti o Waitangi/the Treaty of Waitangi, the role of Indigenous peoples embodying traditional lifestyles in contributing to the conservation and sustainable use of biological diversity is explicitly acknowledged in the chapter.

Through this chapter, New Zealand and the UAE have agreed a set of sustainable agriculture principles to guide cooperation work on sustainable agriculture and resilient food systems. The principles will guide future cooperation work on sustainable agriculture between the two Parties. Similarly New Zealand and the UAE have agreed to promote sustainable fisheries and forestry through international action and addressing actions which contribute to the unsustainable management of these resources such as illegal, unreported and unregulated (IUU) fishing and illegal logging and illegal deforestation.

The chapter recognises the important role that greater resource efficiency can have on the environment, and the role that trade can play regarding second-hand goods, end-of-life products, secondary materials or waste, as well as trade in related services. This chapter encourages the application of circular economy principles in sectors such as sustainable manufacturing, green infrastructure, sustainable transportation and sustainable food production and consumption.

The inclusion of articles on environmental goods and services and eco-labelling recognises the importance of environmental goods and services and eco-labels as means of addressing global environmental challenges, including climate change. The chapter encourages these

transparent, factual, and non-misleading sustainability schemes to meaningfully contribute to sustainable development.

Disadvantages

There are no significant disadvantages in the trade and environment articles in this Agreement.

4.14 Chapter 15: Indigenous Trade and Economic Cooperation

4.14.1 Overview of the chapter

This chapter provides a cooperation platform with the UAE to enable Māori, Indigenous and Emirati Peoples to fully benefit from the trade and investment opportunities created by Agreement.

4.14.2 Advantages

The chapter highlights the contribution that increased engagement and participation can make to enhance bilateral trade, investment, innovation, cultural and people-to-people links and well-being from a te ao Māori perspective.

The chapter recognises that trade is fundamental to Indigenous Peoples maintaining and promoting their histories, identity, relationships, values, culture, customs, traditional knowledge, and well-being. It also recognises the importance of relational approaches to trade, and the contribution that traditional knowledge, cultural expressions, biological diversity, and genetic resources can make to support trade, innovation, sustainable development, and the sound ecological management of the environment.

The chapter identifies a number of cooperation activities to advance trade and economic opportunities under the Agreement, including:

- developing programmes and initiatives to enhance the ability for Indigenous-owned enterprises to access and fully benefit from the opportunities of international trade and investment;
- developing and enhancing links between the UAE and Indigenous-owned enterprises, including Indigenous women-led enterprises, to facilitate access to existing and new supply chains, as well as trade in goods and services;
- sharing experiences to enhance the ability of Indigenous Peoples and businesses to participate in and benefit from both Parties' energy transition;
- enabling and strengthening Indigenous participation in electronic commerce and digital trade;
- developing, supporting and strengthening business networks, cooperation and partnerships, including through trade missions;
- promoting Indigenous trade and investment, including for businesses that relate to or derive from traditional knowledge and traditional cultural expressions such as arts

and crafts, dance and music, tourism, food and agri-business, biological diversity and environmental management, and the green economy and resources;

- promoting Indigenous agri-food and agricultural trade; and
- sharing information on promoting and protecting “mānuka honey”.

The chapter builds on and was informed by processes and provisions developed in recent FTA negotiations with the UK and EU in relation to Treaty partner engagement, input, and aspirations, and builds on standards and expectations for Indigenous interests to be reflected in international trade agreements.

4.14.3 Disadvantages

There are no significant disadvantages to New Zealand from this chapter.

4.15 Chapter 16: Small and Medium-Sized Enterprises

4.15.1 Overview of the chapter

This chapter requires each Party to make information relevant to SMEs easily accessible in digital form. This includes information about the Agreement, as well as information designed for SMEs that will be useful for those SMEs interested in benefitting from opportunities under the Agreement.

The chapter also establishes an SMEs contact point that is responsible, among other things, for ensuring the needs of SMEs are taken into account in the implementation of the Agreement.

4.15.2 Advantages

This dedicated SMEs chapter has the potential to benefit New Zealand SMEs interested in exporting to the UAE. The commitments on access to information largely reflect what both Parties are already doing; the chapter futureproofs these commitments by not limiting access to particular forms of technology (such as a website), allowing both Parties to deliver access to the information through future digital media.

4.15.3 Disadvantages

There are no disadvantages to New Zealand under this chapter. The commitments in respect of information provision align with the practice in New Zealand of ensuring businesses have good access to information. They also align with existing commitments in other FTAs.

4.16 Chapter 17: Economic Cooperation

4.16.1 Overview of the chapter

The Economic Cooperation chapter provides a vehicle for ongoing dialogue and cooperation between the Parties that aims to maximise the benefits of the Agreement by supporting pathways to trade and investment facilitation in areas of mutual interest. The chapter acknowledges the critical role of the private sector in leveraging the full potential of the Agreement, and the important role of global supply chains and the inclusion of SMEs therein. It encourages the establishment of dialogue between the Parties' relevant private sector organisations or representatives to share and facilitate understanding of the Agreement and the opportunities it provides.

The objective is to complement and support the existing economic relationship between New Zealand and the UAE and support the effectiveness and efficiency of the implementation and utilisation of the CEPA through creating new trade and investment opportunities, further improving market access and openness, and contributing to the sustainable inclusive economic growth and prosperity of the Parties.

The chapter also establishes an Economic Cooperation contact point to facilitate regular communication as well as coordinate and implement cooperative activities agreed by the Parties.

4.16.2 Advantages

This chapter provides further opportunities for deeper economic cooperation with the United Arab Emirates in areas of mutual interest, without committing extra resource. These areas include, among others: agriculture, fisheries and aquaculture; forestry and food security; industrials and manufacturing; innovation and, science and technology; green and renewable energy; halal cooperation; services sectors; and trade and investment promotion.

As is in New Zealand's interests, the chapter is highly flexible, creating opportunities for collaboration whilst ensuring that this is within mutually understood and agreed parameters.

4.16.2 Disadvantages

There are no disadvantages to New Zealand under this chapter.

4.17 Chapter 18: Transparency

4.17.1 Overview of the chapter

The Transparency chapter includes transparency provisions which could assist New Zealand businesses operating in the UAE. It imposes procedural requirements with a view to ensuring that Parties administer measures covered by the Agreement in a consistent, impartial, and reasonable manner.

4.17.2 Advantages

The Chapter requires the Parties to promptly publish its laws, regulations, procedures and administrative rulings of general application with respect to any matter covered by the Agreement, and where feasible online (Article 17.1).

The Parties must endeavour to maintain judicial, arbitral or administrative tribunals or procedures for the prompt review and, if warranted, correction of administrative decisions with respect to any matter covered by the FTA (Articles 17.3 and 17.4).

The Parties must, on request from the other Party, provide information and respond to questions regarding any laws or regulations with respect to any matter covered by the FTA (Article 17.2).

4.17.3 Disadvantages

The Transparency chapter contains provisions that are consistent with existing policy and practice. As a result, there would be no disadvantage to New Zealand committing to these provisions.

4.18 Legal and Institutional Chapters

4.18.1 Overview of the chapter

FTAs include legal and institutional provisions that cover matters such as how and when the Agreement will enter into force, how it will relate to other international agreements already in place, how Parties should resolve issues in the event of a dispute, and what exceptions are allowed. In the CEPA, the legal and institutional provisions are covered by: Chapter 1 Initial Provisions and General Definitions, Chapter 19 Administration of the Agreement, Chapter 20 Dispute Settlement, Chapter 21 Exceptions, and Chapter 22 Final Provisions.

4.18.2 Advantages

The Dispute Settlement chapter (Chapter 20) requires the Parties to make every attempt to resolve disputes through cooperation and consultations before resorting to the procedures provided for in the chapter. However, if resolution cannot be reached, a Party may invoke the provisions of the chapter that provide for compulsory dispute settlement procedures.

Under this chapter, the New Zealand Government will be able to pursue a matter to formal dispute resolution should the UAE fail to act consistently with its obligations under the Agreement. This would help ensure the advantages gained across the Agreement were accessible to New Zealand business. This form of robust, transparent dispute settlement procedure is considered to be important to New Zealand, particularly as a strong rules-based system has historically proved to the advantage of smaller trading nations like New Zealand.

The Exceptions chapter (Chapter 21) sets out a series of exceptions to ensure that the Government is able to make policy and take measures to give effect to that policy in the areas covered by these exceptions. These exceptions should be seen in addition to the specific flexibilities and safeguards negotiated in different areas of the Agreement.

The exceptions ensure New Zealand can continue to pursue policy objectives and introduce measures that might otherwise constitute violations of the rules in the Agreement. This helps ensure that, in conjunction with New Zealand businesses benefitting from the certainty and open markets the rules provide, the New Zealand Government preserves its right to regulate. This 'advantage' is broad-ranging in its application as the exceptions cover a wide variety of policy areas that are critical for the New Zealand government, including the Treaty of Waitangi, security, health, environment, creative arts, integrity of the financial system and taxation.

The Exceptions chapter adopts in part the WTO approach to preserving public policy space. It does so by incorporating the General Agreement on Tariffs and Trade (GATT) general exceptions, which allow the Parties to, for example, adopt measures necessary to protect public morals; or measures necessary to protect human, animal or plant life or health; or measures related to the conservation of exhaustible natural resources, provided that a measure is not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade. The exceptions in Article XIV of the General Agreement on Trade in Services (GATS) general exceptions are similarly incorporated.

Other key aspects of the Exceptions chapter include:

- New Zealand's standard Treaty of Waitangi exception, which allows New Zealand to take measures it deems necessary to accord more favourable treatment to Māori in respect of matters covered by the Agreement, including in fulfilment of its obligations under the Treaty of Waitangi. The exception also ensures the interpretation of the Treaty of Waitangi is not subject to dispute settlement.
- The security exception, which allows Parties to adopt non-discriminatory measures necessary to protect public security. The exception would allow a Party to take any action which it considered necessary for the protection of its essential security interests in certain circumstances. Those circumstances include the protection of information, measures taken in a time of war or other emergency in international relations, or any action taken in accordance with the UN Charter for the maintenance of international peace and security.
- The taxation exception, which establishes the scope of application of the Agreement's obligations to taxation measures and provides broad exceptions and policy space for governments to ensure effective taxation.
- The creative arts exception, which ensures New Zealand can adopt measures necessary to protect national works or specific sites of historical or archaeological value, or to support creative arts of national value, including ngā toi Māori. These measures must not constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on trade in goods or services and investment.

- The balance of payments exception, which provides policy flexibility in the case of serious balance of payments or external financial difficulties. It ensures that, in such circumstances, New Zealand will be able to adopt restrictive import measures relating to trade in goods and restrictive measures for trade in services.

4.18.3 Disadvantages

The legal and institutional provisions in the Agreement do not present any disadvantages to New Zealand. As noted with respect to the Dispute Settlement chapter, legal and institutional procedures are by their nature reciprocal, and measures taken by the New Zealand Government would be subject to the same dispute settlement procedures as are available to New Zealand. Historically, New Zealand has been subject to only one complaint by a trading partner. This was under the GATT dispute settlement system. To date, New Zealand has not been subject to any complaints under the WTO agreements or our FTAs, reflecting our transparent and rule-abiding approach.

4.19 Bilateral Investment Treaty: Agreement on the Promotion and Protection of Investments

4.19.1 Overview of the Bilateral Investment Treaty

The Agreement between the Government of the United Arab Emirates and the Government of New Zealand on the Promotion and Protection of Investments, a bilateral investment treaty (NZ-UAE BIT), was negotiated alongside and in conjunction with the NZ-UAE CEPA. The substance of the Agreement is aligned with the investment chapters of New Zealand's existing free trade agreements; the form reflects the UAE's practice of concluding bilateral investment treaties with trade and investment partners.

The NZ-UAE BIT establishes a balanced framework of investment obligations to govern the investment relationship between New Zealand and the UAE. It is designed to facilitate the flow of investment between New Zealand and the UAE within a stable and transparent framework of rules to provide certainty to investors of both Parties.

National Treatment and Most-Favoured-Nation Treatment obligations ensure investors will not be discriminated against compared to similar domestic and third-party investors. The BIT also confirms that investors and investments are to be treated in accordance with the minimum standard of treatment under customary international law, including fair and equitable treatment and full protection and security.

The BIT ensures investors maintain control over their investments as it includes restrictions on the imposition or enforcement of performance requirements (such as to achieve a percentage of domestic content or to transfer technology to a person in the other country). The BIT also provides certainty that transfers relating to a covered investment will be able to be made freely and without delay.

The BIT provides a number of exceptions to the obligations including measures related to taxation, prudential regulation, security and public order, and the Treaty of Waitangi. It excludes all existing measures from the Agreement and New Zealand has a schedule to

protect future policy space in sensitive sectors, such as the Overseas Investment Act and social services.

The BIT does not provide for investor-state dispute settlement (ISDS). State-to-State dispute settlement provisions will apply to allow for the resolution of disputes at a government level.

4.19.2 Advantages

The BIT, in conjunction with the CEPA Investment Chapter, will benefit New Zealand investors by providing greater transparency and improved conditions for investments and doing business in the UAE. Improved conditions for investment are also important for many New Zealand goods and services exports, who increasingly look to undertake investment activities to support their international business.

Foreign investment is a critical source of capital for New Zealand to keep building a competitive and productive economy. Concluding a high-quality BIT with the UAE will be a welcome signal to UAE investors that New Zealand, with its attractive, stable and transparent investment environment, is open for business.

The BIT will support economic growth by facilitating further outward direct investment (ODI) from New Zealand to the UAE - helping investors navigate the UAE regulatory system. Similarly, the BIT is expected to facilitate Foreign Direct Investment (FDI) from the UAE into New Zealand, by providing the necessary conditions for increasing UAE investment in New Zealand – including greater transparency and investor protections.

The UAE has committed to extend to New Zealand any future liberalisation agreed in subsequent international investment agreements through a most-favoured-nation clause (a commitment New Zealand has also made) future proofing the Agreement.

Consistent with New Zealand policy, the BIT does not provide for investor-state dispute settlement (ISDS), meaning UAE investors are not able to make claims against the New Zealand government in relation to the investment provisions.

4.19.3 Disadvantages

The obligations in the BIT will not create additional legal obligations on New Zealand. This is because existing agreements and customary international law are already reflected in New Zealand's investment policy regime.

The BIT only applies to the post-establishment phase of investment and market access elements are not included in it. This means that the obligations contained within the BIT do not apply to the establishment of an investment and therefore New Zealand investors will not benefit from the rules until the investment has been made.

While it is New Zealand's preferred outcome, ISDS not being contained within the BIT means that New Zealand investors do not have access to this mode of recourse in the event of a breach by the UAE. A New Zealand investor would still have the same rights as

domestic investors, including recourse to UAE courts, and the Agreement does contain state-to-state dispute settlement.

4.20 Side Letters

4.20.1 Wine Side Letter

This side letter, which constitutes an integral part of the CEPA, provides a commitment that the UAE shall, from entry into force of the CEPA, extend to New Zealand any further tariff liberalisation on sparkling wine and still wine in containers holding 2 litres or less that it may provide under a future trade agreement with any third party.

This supplements the 10% tariff reduction provided for in the UAE's tariff schedule for the same products. It means that New Zealand wine exporters have the best-available access to the UAE's market immediately on entry into force of the Agreement, and into the future.

4.20.2 Future Work Programme side letter

This side letter, which constitutes an integral part of the CEPA, contains three elements:

1. Antimicrobial Resistance

The provisions in the side letter on Antimicrobial Resistance (AMR) sit alongside Chapter 6 (Sanitary and Phytosanitary Measures). The side letter recognises AMR as a serious threat to human and animal health and provides for enhanced co-operation. The side letter recognises the Parties common objectives in the area of antimicrobial resistance and acknowledges the Parties respective antimicrobial regulatory standards, guidelines and surveillance systems are designed to deliver comparable controls and health outcomes.

2. Contractual Service Suppliers

The provisions in the side letter on Contractual Service Suppliers sit alongside Chapter 9 (Trade in Services). The side letter provides that within twelve months from the date of entry into force of this Agreement, the Parties shall conduct a review to consider the inclusion of contractual services suppliers in their Schedules of Specific Commitments to the Trade in Services chapter, and shall negotiate in good faith the terms and conditions of such inclusion.

3. Self-Certification

This side letter on self-certification of origin sits alongside Chapter 3 (Rules of Origin and Origin Procedures) and provides two possible pathways for introducing self-certification of origin for all exporters in future, building on Article 3.23 (Origin Declaration by Approved Exporter), namely:

- a commitment that if the UAE agrees to self-certification of origin in a future trade agreement, this will automatically be extended to New Zealand, or
- a commitment that the CEPA Joint Committee review the adoption of self-certification under the Agreement within five of entry into force if the UAE has not introduced self-certification for any non-Party by that time.

While the CEPA currently only provides for self-certification of origin (declaration of origin) for approved exporters from entry into force of the Agreement, this future work programme will improve the likelihood of the UAE providing for self-certification for all New Zealand exporters in time, as an alternative to obtaining a declaration of origin.

4.20.3 Energy Resources Side Letter

This side letter, which constitutes an integral part of the CEPA, contains provisions agreed with all of the UAE's CEPA partners. It reflects the UAE's constitutional structure whereby each of its seven Member Emirates retains full sovereignty, sovereign rights and exclusive jurisdiction over its energy resources sector (i.e. hydrocarbons such as oil and gas). Accordingly, the side letter explicitly states that the CEPA does not grant any rights to New Zealand, or create any obligations for the UAE or any of its Member Emirates, with regard to the energy resources sector in the UAE – and excludes it from all aspects and provisions of the Agreement. The letter provides that should such rights be granted to a third country under a trade agreement in future, these shall be extended to New Zealand.

5. Legal Obligations for New Zealand of the Treaty Action, Reservations to the Treaty, Dispute Settlement Mechanisms

5.1 Chapter 1: Initial Provisions and General Definitions

This Chapter provides definitions of general application to the CEPA. It establishes the free trade area for the CEPA in accordance with the WTO General Agreement on Tariffs and Trade (GATT) and Article V of the WTO General Agreement on Trade in Services (GATS).

The Chapter also provides for rules regarding the disclosure of information, confidential information, and the CEPA's relation to other agreements. The Chapter provides that Parties must take all measures reasonable to ensure regional, local governments and authorities, and non-governmental bodies with delegated power observe the provisions of the CEPA.

5.2 Chapter 2: Trade in Goods

National Treatment on Internal Taxation and Regulation

The National Treatment obligation requires each Party to afford national treatment to the goods of the other Party in accordance with Article III of the GATT 1994 (Article 2.3).

Elimination of Customs Duties

Both Parties are obliged not to increase any existing customs duty, or adopt any new customs duty, on an originating good of the other Party (Article 2.4.1), and are required to eliminate customs duties on originating goods in accordance with their tariff elimination commitments (Article 2.4.2).

Classification of Goods

The classification of goods in trade between the Parties shall be governed by each Party's respective tariff nomenclature in conformity with the Harmonized Commodity Description and Coding Systems (HS) and its amendments (Article 2.6.1).

Transposition of Schedules of Tariff Commitments

Each Party must ensure that transposition of tariff elimination schedules: is carried out without impairing existing tariff concessions, does not afford less favourable treatment to an originating good of the other Party as set out in its tariff elimination schedule, is carried out in accordance with the methodologies and procedures adopted by the Committee on Trade in Goods, and is circulated in a timely manner (Article 2.7).

Import and Export Restrictions

Except as otherwise provided in this Agreement, each Party is not permitted to prohibit or restrict the importation of any good of the other Party, or the export of any good to the other Party, except in accordance with Article XI of GATT 1994 (Article 2.8.1). Further to this, where a Party proposes to adopt an export prohibition or restriction on foodstuffs, the Party shall seek to limit this to the extent necessary and give due consideration to its

possible effects on the other Party's foodstuff security, provide information on the reason and duration in writing, as soon as practicable, and on request provide the other Party with a reasonable opportunity for consultation with respect to any matter related to the proposed prohibition or restriction (Article 2.8.2).

Import Licensing Procedures

Article 2.9 contains a number of obligations relating to import licensing, including: a prohibition on measures that are inconsistent with the WTO Import Licensing Agreement (Article 2.9.1); an obligation on each Party to notify the other of any new or modified import licensing procedures (Article 2.9.2); and an obligation to publish information on an official government website at least 21 days before the new procedure takes effect (Article 2.9.4). Each Party must respond to enquiries and requests for relevant information from the other Party on any import licensing procedure that it has adopted or changed, including an explanation of the reason for the denial of an import licensing application with respect to a good of the other Party (Article 2.9.5).

Customs Valuation

Each Party is obliged to determine the customs value of goods traded between them in accordance with the provisions of Article VII of the GATT 1994 and the Customs Valuation Agreement (article 2.10).

Export Subsidies

Each Party is obliged not to maintain, introduce or reintroduce export subsidies or other measures with equivalent effect on any good destined for the territory of the other Party, including agricultural products (Article 2.11)

Administrative Fees and Formalities

Each Party is obliged to ensure that all fees and charges of whatever character (other than import and export duties charges equivalent to an internal tax or other internal charges applied consistently with Article III:2 of GATT 1994, and anti-dumping and countervailing duties) imposed on, or in connection with, importation or exportation are limited in amount to the approximate cost of services rendered; that they are not levied on an ad valorem basis; and that they not represent an indirect protection to domestic goods or a taxation of imports or exports for fiscal purposes (Article 2.13.1). Each Party is obliged to promptly publish and update as appropriate details of the fees that it imposes in connection with importation or exportation and shall make such information available on the Internet (Article 2.13.2).

Technical Consultations

Neither Party is permitted to adopt or maintain any non-tariff measures on the importation of any good of the other Party or on the exportation of any good destined for the territory of the other Party except in accordance with its rights and obligations under the WTO Agreement or this Agreement (Article 2.14.1). Each Party is obliged, upon request, to engage in technical consultations with the other Party to discuss any measure arising under trade in goods, if the other Party considers the measure was prepared, adopted or applied with a view to, or with the effect of, creating an unnecessary obstacle to trade and adversely affecting trade between the Parties (Article 2.14.2). Within 30 days of receipt of a request, the responding Party is obliged to provide a written reply to the requesting Party

(Article 2.14.4) and within 30 days after this, the Parties are obliged to enter consultations with a view to reaching a mutually satisfactory solution (Article 2.14.5). If the requesting Party considers the request is urgent or involves perishable goods, the responding Party is obliged to give prompt and reasonable consideration to any request to hold consultations within a shorter timeframe (Article 2.14.6). If consultations fail to reach a mutually satisfactory solution, the matter is to be immediately reviewed by the Sub-Committee on Trade in Goods with a view to securing a mutually agreed solution (Article 2.14.7).

Temporary Admission of Goods

Parties must grant temporary admission of the following goods, free of import duties and taxes, subject to specified conditions: professional equipment, including for visiting press; goods intended for exhibit or use at meetings or fairs; commercial samples and advertising films and recordings for prospective customers; containers and pallets used in transportation; and goods for sports purposes (Article 2.16.1). Each Party is required to, on request and for reasons its customs authority considers valid, extend the time limit for temporary admission beyond the period that was initially fixed (Article 2.16.2). Parties may only impose specific conditions on the duty-free temporary admission of goods (as set out in Article 2.16.3). Each Party is required to adopt procedures providing for the expeditious release of goods admitted under Article 2.16.5. In instances where a good is temporarily admitted under Article 2.9, each Party must permit the good to be re-exported through a customs point of departure other than that through which it was admitted (Article 2.16.6). In addition, each Party is required to provide that the importer or other person responsible for goods admitted under Article 2.9 will not be liable for failure to export the goods within the period provided for temporary admission (including any lawful extensions to that period), provided they can demonstrate to the importing Party that the goods in question were totally destroyed (Article 2.16.7).

Goods Re-entered After Repair or Alteration

Article 2.17 prohibits the application of customs duties in situations where a good re-enters a Party's territory after the good has been temporarily exported to the other Party's territory for repair or alteration (Article 2.17.1) or is imported temporarily from the customs territory of a Party into the other Party's territory for repair or alteration (Article 2.17.2).

Duty-free Entry of Commercial Samples of Negligible Value and Printed Advertising Materials

Articles 2.18 obliges each Party to grant duty-free entry for commercial samples of negligible value and printed advertising materials.

Exchange of Data

Recognising the value of trade data to accurately analyse implementation, the Parties commit to cooperate in periodic exchanges of data, including data on tariff preference utilisation in advance of the meeting of the Sub-Committee on Trade in Goods (Article 2.19).

Sub-Committee on Trade in Goods

Article 2.20 establishes a Sub-Committee on Trade in Goods to promote trade between the Parties, through which the Parties commit to consult on accelerating tariff elimination,

addressing barriers to trade in goods, ensuring the obligations of each Party are not altered through changes to tariff classifications, and reviewing amendments to the Harmonized System and data on trade in goods in relation to the implementation of the chapter.

5.3 Chapter 3: Rules of Origin and Origin Procedures

Origin Determination

Each Party is required to provide three avenues through which goods can qualify as 'originating' and *thereby* qualify for preferential tariff treatment (Article 3.2). A good will qualify as originating if it is:

- wholly obtained or produced entirely in the territory of either of the Parties (such as fruits, plants or animals);
- produced entirely in the territory of a Party, exclusively from originating materials; or
- produced entirely in the territory of a Party using non-originating materials, provided that the good meets the criteria set out in the Product Specific Rules (PSR) Annex.

The methods set out in the PSR Annex for determining whether goods qualify as originating under the third option are:

- change in tariff classification (CTC): under this approach, a good will qualify as originating if all materials not originating in NZ or the UAE that are used in its production of that good, have undergone a specified change of tariff classification at either the chapter, heading or subheading level of the HS system;
- value added, identified as both regional value content (RVC) and qualifying value content (QVC): this approach, which is provided as an alternative option for industrial products, is based on the value added by New Zealand or UAE producers; or
- process rule: under this approach, a good will qualify as originating if it has completed a specific production process identified in the Annex (for example, refining of oil).

Article 3.3 sets out which goods shall be deemed to be wholly obtained or produced in the territory of a party. This includes goods such as plants, animals, or goods produced exclusively from wholly originating goods.

Article 3.4 sets out the two methods to be used to determine the RVC / QVC of a good.

Article 3.5 provides that when a product has acquired originating status, the non-originating materials used in the production of the product shall not be considered non-originating when that new product is incorporated as a material in another product.

Article 3.6 requires each Party to provide for the cumulation of materials and enables Parties to produce goods that count as originating in the respective Party when using originating goods from the other Party.

Article 3.7 requires each Party to allow a small tolerance for a good (15 percent of the value of the good) even if it does not meet the applicable value-added requirement in the PSR Annex, provided the good meets all the other applicable requirements of the chapter. This tolerance (or 'de minimis' as it is known in some New Zealand FTAs) softens that requirement by allowing the good to still be originating provided the value of the non-originating materials does not exceed 15 percent of the value of the good. There is a list of insufficient working or processing operations (Article 3.8) that will not confer origin, even if the RVC value is met. This includes processes such as the slaughter of animals or repacking operations.

Articles 3.9 to 3.15 set out in more detail specific conditions in relation to determining the origin status of a good. This includes the treatment of indirect materials and packaging materials.

Territoriality and Transit

Under Articles 3.16 and 3.17, a good must either be transported directly from the exporting Party to the importing Party, or if the good is transported through the territory of a non-Party, it must not undergo further alterations or be released into free circulation in the territory of a non-Party. There is a small carve out for goods to undergo limited working or processing outside a Party. This allows some simple processes to be undertaken on originating goods.

Article 3.18 confirms that goods produced in a free zone shall be considered as originating so long as they meet the requirements of the chapter. New Zealand does not have any free zones, but the UAE does.

Article 3.19 requires that Parties do not deny a preference claim because an invoice was issued by a third party.

Origin Certification

Each Party must allow an importer to make a claim for preferential tariff treatment based on either: a certificate of origin from a competent authority; or a declaration completed by an approved exporter (Article 3.20). Each Party will establish a mechanism for approving exporters.

Articles 3.21 to 3.24 further explains the possible formats and requirements along with the proposal to establish an electronic system for exchanging origin information.

Recognising that a claim under the Agreement for a preferential tariff rate may not always be made at the time of importation, Article 3.25 requires Parties to allow an importer to apply for obtain and submit a proof of origin document and apply for preferential tariff treatment post importation, and seek a refund of any excess duties paid, provided the good would have qualified for preferential tariff treatment when it was imported and adequate supporting documentation can be provided.

Articles 3.26 covers the re-issuing of a certificate of origin in the event of a theft, loss, or destruction of the original.

Article 3.27 allows for a single proof of origin to be used for a series of importations of a dismantled or disassembled good by instalments.

Article 3.29 states that a Party is not able to reject an origin declaration solely due to minor errors in a document, or discrepancies between documents, provided those errors or discrepancies do not create doubt about the origin of the goods.

Cooperation and origin verification

Articles 3.30 and 3.31 set out the process for claiming preferential tariff treatment or its denial by a Party. If a Party denies a claim for preferential tariff treatment, the reason for the decision must be notified by writing to the importer. Following this, the importer is able to appeal against the decision under the customs laws of the importing Party.

Article 3.32 details the means a Party may use to verify whether a good qualifies for origin status under the chapter. The article establishes a staged verification process, details the information that can be sought, the timelines for actions to be undertaken in, and requires a written notification of the result of the verification activity.

Article 3.34 sets out that each Party is required to ensure that a producer, exporter or importer who holds records relating to a proof of origin for five years or longer in accordance with a Party's relevant laws and regulations. These records can be held in any form as long as they can be promptly retrieved, and must be provided on request to a customs authority.

Article 3.35 provides for the confidentiality of information communicated between the Parties, recognising that information may be disclosed for law enforcement and judicial purposes.

Articles 3.36 – 3.41 provide for the management of the Agreement through:

- establishment of contact points (3.36);
- the exchange of stamps and signatures (3.37);
- consultation and cooperation (3.39);
- establishment of a Sub-Committee (3.40); and
- the future transposition of Product Specific Rules (3.41)

Article 3.38 specifically provides for goods in transit at the date of entry into force of the Agreement to be able to apply for preferential tariff treatment if a valid claim is submitted within 180 days of entry into force.

5.4 Chapter 4: Customs and Trade Facilitation

This chapter includes a range of obligations in respect of customs administration and trade facilitation, including customs cooperation. These commitments fall within current New Zealand policy settings and include:

- ensuring customs procedures and laws are applied in a manner that is predictable, consistent, transparent, and non-discriminatory (Article 4.4.1). This includes ensuring comprehensive information on customs laws and requirements is easily accessible and published online (Article 4.5), and the issuing of advance rulings on origin classification and valuation. (Article 4.9). There is also a commitment to establish enquiry points to answer enquiries from traders pertaining to customs matters (Article 4.5.2);
- adopting or maintaining penalties for violations of customs laws, regulations and procedural requirements and ensuring that those penalties are proportionate and non-discriminatory (Article 4.10);
- adopting or maintaining a risk management system for assessment and targeting that enables respective customs administrations to focus inspection activities on high-risk consignments and expedite release of low-risk consignments (Article 4.6);
- enabling an electronic environment for information exchange and endeavouring to establish or operate a single window so traders can submit documentation or data requirements through a single entry point (Articles 4.7 and 4.8);
- ensuring the expeditious clearance and release of goods. Each Party is required to adopt or maintain procedures providing for advance electronic submission and processing of information before the physical arrival of imported goods to enable release of the goods on arrival (Article 4.11). Imported goods are to be released immediately upon receipt of the customs declaration and fulfilment of applicable requirements and procedures, and within 48 hours of arrival;
- ensuring perishable goods (Article 4.13) are released in the shortest time possible, and within 6 hours of arrival, provided all necessary requirements have been met. Perishable goods are also to be given appropriate priority when scheduling any required examinations (Article 4.13.2(c));
- encouraging cooperation between the Parties' customs agencies on customs related matters, with a view to further developing trade facilitation while ensuring compliance with respective customs laws and procedures, and improving supply chain security (Articles 4.14 and 4.17); and
- ensuring the ability to seek review and appeal any decision made by customs authorities, and for the outcome of the review or appeal to be provided in writing, including the reasoning behind the outcome of the review and appeal (Article 4.16).

5.5 Chapter 5: Trade Remedies

Antidumping and Countervailing investigations

In addition to reaffirming WTO rights and obligations under the WTO anti-dumping and subsidy rules, Article 5.2 builds on those WTO rules by providing for additional transparency rules concerning anti-dumping and countervailing investigations. These obligations reflect New Zealand's current practice in trade remedy investigations and would not require a change to policy settings. They are as follows:

- notification when an antidumping or countervailing duty investigation is launched;

- opportunities for consultation before a countervailing investigation is initiated;
- rights of interested parties to express their views during an antidumping or countervailing investigation;
- opportunities for interested parties to provide information during investigations;
- written disclosure of the essential facts of an investigation;
- the approach Parties agree to take when calculating dumping margins, known as 'offsetting';
- the application of the "lesser duty rule" when imposing anti-dumping and countervailing duties; and
- an interested party to be informed when information it has provided to an investigating authority is deficient, and an opportunity to remedy that deficiency.

Global Safeguards

In addition to reaffirming WTO rights and obligations under the WTO Safeguards rules, Article 5.4 makes further commitments. These obligations reflect New Zealand's current practice in trade remedy investigations and would not require a change to policy settings.

They are as follows:

- Parties are not to implement a safeguard measure at the same time on the same product under Article XIX of GATT 1994, the WTO Safeguards Agreement, or Article 5 of the Agreement on Agriculture (in Annex 1A to the WTO Agreement).
- a Party that initiates a safeguard investigation is to provide to the other Party an electronic copy of the notification given to the WTO Committee on Safeguards under Article 12.1.a of the WTO Safeguards Agreement.
- a Party may exclude the other Party's imports from safeguard action if they do not cause or threaten serious injury.

5.6 Chapter 6: Sanitary and Phytosanitary Measures

This chapter applies to all sanitary and phytosanitary (SPS) measures that may, directly or indirectly, affect trade while protecting human, animal and plant life and health. In addition, a side letter to the CEPA also provides for cooperation on antimicrobial resistance (AMR).

These commitments fall within current New Zealand policy settings and include:

- a commitment to recognise the equivalence of sanitary or phytosanitary measures, even if the measures differ to those established by the importing Party providing they achieve the importing Party's appropriate level of protection (Article 5.6);
- a commitment to recognise the concept of adaptation to regional conditions, including recognition of pest or disease-free areas and areas of low pest or disease prevalence (5.7);

- an obligation to provide the objective and rationale for an emergency SPS measure; to enter into technical consultations, if requested, within 15 days of the notification of the emergency SPS measure; and to commence a science-based review of the measure as soon as practically possible and within 6 months from notification of the emergency measure (5.8);
- a commitment to notify and exchange information on proposed or actual sanitary or phytosanitary measure that may have an effect on the trade of the other Party (5.9);
- commitment to notify of any significant or urgent situation relating to sanitary or phytosanitary risk within its territory, that may affect trade between the Parties (5.9); and
- a commitment to conduct technical consultations and work expeditiously to address any specific SPS trade-related issue within the scope of the chapter (5.10).

Incorporation of SPS MOUs

The CEPA incorporates two existing sanitary and SPS MOUs into the Agreement, appending them as Annex 6-B and Annex 6-C respectively. These include the following commitments:

- provisions recognising that New Zealand's SPS measures achieve the public, animal and plant health outcomes of the UAE;
- provisions to accept New Zealand's regionalisation decisions as the basis for trade;
- provisions to carry out audits to verify that all or part of the regulatory control programme of the exporting Party's competent authority is functioning as intended;
- that import checks applied to New Zealand products will take account of the history and previous performance, will be risk-based and carried out in the least trade restrictive manner possible; and
- to promote the implementation of electronic certification to facilitate trade and deter fraud.

Antimicrobial resistance

The side letter on antimicrobial resistance (AMR) contains the following:

- a recognition that AMR is a serious threat to human and animal health, and acknowledgment that the Parties antimicrobial regulatory standards, guidelines and surveillance systems are designed to deliver comparable controls and health outcomes, and
- a commitment to cooperate and facilitate the exchange of information, including with respect to regulations, guidelines, national plans, standards, expertise and experiences in the field of AMR.

5.7 Chapter 7: Technical Barriers to Trade

The TBT chapter builds on New Zealand's existing rights and obligations under the WTO Agreement on Technical Barriers to Trade (TBT Agreement) (Article 7.4).

International Standards, Guides, and Recommendations

- Article 7.5 sets out understandings and obligations in respect to the application of international standards, guides and recommendations to technical regulations and conformity assessment procedures.
- When a Party determines whether an international standard, guide, or recommendation exists (within the meaning of Articles 2 and 5, and Annex 3 of the TBT Agreement), that Party must apply the relevant definitions referred to in Annex 1 of the TBT Agreement, and follow the principles and procedures set out in the TBT Committee Decision on International Standards.
- The Parties are required to cooperate where feasible and appropriate in areas of mutual interest in international standardisation bodies to ensure that international standards developed are trade facilitating and do not create unnecessary barriers to trade (Article 7.5.3).

Technical regulations

- Article 7.6 sets out obligations concerning technical regulations. Each Party must ensure technical regulations are not prepared, adopted or applied to a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties (Article 7.6.1). The Parties are required to use international standards as the basis for their technical regulations unless those standards would be ineffective or inappropriate to achieve the legitimate objective being pursued (Article 7.6.2).
- Where a Party does not use relevant international standards as the basis for its technical regulations, the Party must, on the request of the other Party:
 - identify any substantial deviation from the relevant international standard, and
 - explain the reasons why such standards have been considered inappropriate or ineffective for the objective pursued (Article 7.6.3).
- A Party must give positive consideration to accepting technical regulations of the other Party as equivalent, even if they differ, so long as it is satisfied those technical regulations adequately fulfil the objectives of its own technical regulations (Article 7.6.4). A Party is also required to give positive consideration to a request by the other Party to negotiate arrangements for achieving the equivalence of technical regulations (Article 7.6.5). In a case where the request is declined, it must, on the request of the other Party, explain the reason for its decision (Article 7.6.6).

Conformity Assessment Procedures

- Article 7.7 sets out understandings and obligations concerning the acceptance of conformity assessment procedure results and associated review processes. Each Party must ensure conformity assessment procedures are not prepared, adopted, or

applied to a view to, or with the effect of, creating unnecessary obstacles to trade between the Parties (Article 7.7.1). The Parties are required to use international standards as the basis for their conformity assessment procedures unless those standards would be ineffective or inappropriate to achieve the legitimate objective being pursued (Article 7.7.2).

- Where a Party does not use international standards as the basis for conformity assessment procedures, that Party must, on request:
 - identify any substantial deviation from the relevant international standards, and
 - explain the reasons why those international standards have been considered inappropriate or ineffective for the aim pursued (Article 7.7.3).
- Each Party must ensure, wherever possible, that the results of conformity assessment procedures conducted in the territory of the other Party are accepted, even when those procedures are different from their own, provided they offer a satisfactory assurance equivalent to its own procedures. Where a Party does not accept such results, it must, on request from the other Party, explain the reasons for its decision (Article 7.7.5).
- To enhance confidence, the Parties may consult on matters such as technical competence of conformity assessment bodies involved (Article 7.7.6). Each Party is required to give positive consideration to a request by the other to negotiate agreements or arrangements for mutual recognition of the results of their respective conformity assessment procedures (Article 7.7.7). The Parties are required to exchange information on acceptance mechanisms to facilitate acceptance of conformity assessment results (Article 7.7.8).

Cooperation

- The Parties are required to strengthen cooperation in the fields of standards, technical regulations, and conformity assessment procedures with a view to facilitating trade and enhancing cooperation (Article 7.8.1). To achieve this, the Parties must, as mutually agreed and to the extent possible, cooperation on regulatory issues such as the promotion of good regulatory practices (7.8.2).
- Under Article 7.8.3 the Parties are required to encourage cooperation between their respective organisations responsible for standardisation, conformity assessment, accreditation and metrology to further the objectives of the chapter. The Parties must also enhance communication and coordination with each other, where appropriate, in discussion on equivalence and related issues in international for a (Article 7.8.4).

Transparency

The TBT chapter sets out some transparency requirements that apply in addition to the general transparency obligations in the WTO.

- When a proposed technical regulation is notified to the WTO, a Party is required to give appropriate consideration to comments from the other Party and, on request, to provide written responses to those comments (Article 7.9.1). Each Party is required, on request from the other, to provide within a reasonable period, information,

including the objective and rationale, for a technical regulation or conformity assessment procedure that the Party has adopted or proposes to adopt which may affect trade between the Parties (Article 7.9.2).

- Parties are required to ensure that all adopted technical regulations and conformity assessment procedures are publicly available (Article 7.9.3).

Information exchange and technical discussions

Either Party may request a technical discussion regarding any matter under the TBT Chapter by notifying Contact points. Each Party is required to give positive consideration to a request (Article 7.11.1).

Unless otherwise agreed to, Parties shall endeavour to hold technical discussions within 60 days of the request for technical discussions (Article 7.11.2). For urgent matters, a Party may request discussions commence within a shorter timeframe. The other Party is required to give positive consideration to this request (Article 7.11.3).

5.8 Chapter 8: Investment

While the CEPA Investment Chapter does not contain any binding obligations - these are contained in the Bilateral Investment Treaty concluded alongside the CEPA, and set out in section 5.23 of the NIA below - the Parties commit to endeavour to take appropriate measures to promote and attract investment, including those that support decarbonisation and clean technologies; and encourage investment in partnership with Māori (Article 8.2).

The chapter also commits Parties to endeavour to facilitate investment through the creation of favourable conditions that encourage long-term investment relationships including through ensuring measures of general application are administered in a reasonable and impartial manner and that measures are transparent and readily available to investors (Article 8.3).

Finally, the Chapter commits Parties to endeavour to enhance their capacities to address investment-related environmental issues, including through cooperation and maintaining laws and regulations for the protection of the environment (Article 8.4).

5.9 Chapter 9: Trade in Services

The obligations in the Trade in Services chapter should be read in the context of the broader Agreement, including the preamble language noting the Parties' recognition of their inherent right to regulate and their resolve to preserve flexibility to set legislative and regulatory priorities, safeguard public welfare, and protect legitimate public welfare objectives.

Each Party's 'Schedule of Specific Commitments' annexed to the Trade in Services chapter sets out the sectors in which it makes commitments (i.e. a 'positive' list), with specific exceptions for certain sensitive sectors enumerated in the 'limitation' column. That means that if a Party lists all modes as 'none' and does not list any restrictions for a particular

sector, then - subject to any other exceptions that may be applicable - the Party has committed to avoid implementing any measures inconsistent with the market access rules in the chapter, or any measures that favour its own services providers over the other Party's service providers.

For the sectors which Parties have agreed to apply Most-Favoured Nation commitments in their respective MFN Sectoral Coverage Appendices to the chapter, a Party must extend to the other Party equivalent treatment as that offered to any other third party in a future trade agreement.

Obligations in the Trade in Services chapter

- **Market Access:** Under Article 9.5, neither side can impose certain quantitative limitations, including economic needs tests, on services or services suppliers of the other Party;
- **National Treatment:** Article 9.6 provides that each Party must treat services and services suppliers of the other Party no less favourably than it treats its own service and service suppliers;
- **Most-Favoured-Nation (MFN) Treatment:** Under Article 9.4, for those sectors listed in a Party's Most Favoured Nation Sectoral Coverage Appendix, that Party must treat the services and services suppliers of the other Party no less favourably than those from any other country. This obligation means that UAE service suppliers in certain listed sectors would receive the benefits of any additional liberalisation that New Zealand might provide to third parties in future trade agreements, and vice versa;
- **Domestic regulation:** Article 9.9 sets out a range of ambitious domestic regulation provisions to provide certainty and transparency for service suppliers. These rules ensure that measures affecting trade in services are administered in a reasonable, objective and impartial manner, and that any procedures or requirements for supplying a service are impartial and not in themselves a barrier to providing a service;
- **Electronic applications and acceptance of copies:** Under Article 9.9.5, each side endeavours to accept electronic applications and/or accept copies of documents that are authenticated in accordance with its law; and
- **Recognition:** Article 9.10 acknowledges that each side may recognise the education or experience obtained, requirements met, or licenses or certification granted by a non-Party as meeting the standards it requires for authorisation, licensing or certification of a services supplier, and that this recognition can be conferred in a variety of ways, including unilateral recognition, mutual recognition or harmonisation. In such cases, the recognition available to the non-Party is not automatically extended to the other side, but each side must provide adequate opportunity to the other to either accede to or negotiate comparable recognition arrangements to those in place with a non-Party.

Obligations in the Financial Services Annex

The Financial Services Annex in the NZ-UAE CEPA replicates the GATS Financial Services Annex, incorporating already existing obligations between the two Parties into the CEPA. This includes:

- Domestic regulation (Article 9A.2) rules, which ensure that a Party shall not be prevented from taking measures for prudential reasons;
- Recognition (Article 9A.3), which allows Parties to recognise prudential measures of a non-Party when determining how the Party's measures relating to financial services shall be applied; and
- Dispute settlement (Article 9A.4), which set out that panels for disputes on prudential issues shall have the necessary expertise relevant for the specific issue.

Obligations in the Telecommunications Annex

- Interconnection with major suppliers (Article 9B.5): ensures that each side's public telecommunications suppliers provide the other Party's telecommunications suppliers access to their networks at a fair and reasonable cost and in a timely manner;
- Scarce Resources (Article 9B.15): ensures fair and transparent procedures for the allocation and use of scarce resources (such as 4G and 5G spectrum frequencies) related to telecommunications; and
- Number Portability (Article 9B.6): ensures that each side's public telecommunications service suppliers provide number portability to the other Party's mobile services suppliers operating in their territory.

Exclusions

There are areas that are explicitly excluded from the coverage of the chapter. These are activities performed in the exercise of government authority, measures affecting natural persons seeking access to the employment market, and subsidies and grants provided by a Party (Article 9.2).

Article 9.15 also allows each side to deny the benefits of the chapter to a service supplier if the enterprise concerned is owned or controlled by a non-Party or a person of a non-Party and if that side adopts or maintains a measure prohibiting transactions with the enterprise, or which would otherwise be circumvented if the enterprise was to benefit from the Agreement.

Limitations

Article 9.3 allows each side to list areas where it intends to maintain or adopt measures that are inconsistent with the Market Access or National Treatment obligations listed above. These are known as limitations or reservations.

Both New Zealand and the UAE have enumerated limitations in their respective Schedules of Specific Commitments annexed to the chapter.

Each Party's Schedule contains a 'horizontal' section which lists limitations that apply across all sectors, as well as specific commitments, which lists sectors committed (termed a 'positive list' format), as well as any deviations from the rules for that specific sector.

As per New Zealand's standard practice, New Zealand's horizontal limitations are listed for New Zealand's overseas investment screening regime, the provision of public law enforcement and correctional services, as well as social services established for a public purpose.

New Zealand has also listed its standard horizontal limitation preserving policy space to protect and promote Māori rights and interests in relation to electronically enabled trade, to ensure the Government can regulate to promote and protect Māori interests in the digital space, including the digital provision of services.

5.10 Chapter 10: Digital Trade

The Digital Trade chapter recognises the economic growth and opportunity provided by digital trade and the importance of: avoiding barriers to its use and development; promoting consumer confidence; open standards; interoperability of digital systems; the importance of inclusive economic growth; and the need to preserve the right to regulate in the public interest. It also notes that the Parties seek to advance digital trade and the digital transformation of the global economy, by strengthening their bilateral relations on these matters (Article 10.1).

Under the Chapter, each of New Zealand and the UAE:

- must not to impose customs duties on electronic transactions between them (Article 10.3);
- must not treat digital products of the other Party less favourably than they treat other like digital products (Article 10.4);
- must not to impose requirements on manufacturers or suppliers of ICT products that incorporate cryptography (as a condition of manufacture, sale, distribution, import or use) to provide access to that product (for example, through a private key, cipher or algorithm) or require that they partner with a person in its territory. This requirement is subject to specific exceptions, including in relation requirements for accessing government networks (including central banks), the investigation of financial markets or actions of law enforcement (Article 10.5);
- must maintain a legal framework for electronic transactions that is consistent with the UNCITRAL Model Law on Electronic Commerce (1996) or the United Nations Convention on the Use of Electronic Communications in International Contracts. The Parties will also take into account the UNCITRAL Model Law on Electronic Transferable Records when developing such measures (Article 10.6);
- except in specific circumstances provided for under their law, must not to deny the legality of electronic authentications, including electronic signatures and electronic seals, and shall not prevent those engaged in electronic transactions from mutually

determining the appropriate authentication methods for these transactions (Article 10.7);

- must, to the extent practicable, make trade administration documents available in electronic form and available in English. In addition, each Party shall accept electronic versions of trade administration documents as the legal equivalent to paper documents (other than in limited circumstances) and cooperate bilaterally and internationally to enhance acceptance of electronic document used in trade administration (Article 10.8);
- must establish or maintain a single window, enabling traders to submit documentation or data requirements for importation, exportation, or transit of goods through a single-entry point to the participating authorities or agencies; and endeavour to establish or maintain a seamless, trusted, high availability and secure interconnection of their respective single windows to facilitate the exchange of data relating to trade administration documents (Article 10.8);
- must have in place measures to ensure the effective protection of consumers engaging in electronic commerce (Article 10.9);
- must have a legal framework to protect the personal data of users of electronic commerce in accordance with core privacy principles, including limitations on collection and use, and the transparency of the protections it provides. The Parties will encourage the use of privacy trustmarks to help businesses verify protection standards, and will endeavour to share information on the use of such trustmarks and to mutually recognise the other Party's trustmark mechanism (Article 10.10);
- recognise that, subject to applicable laws and reasonable network requirements, consumers should be able to access online services and applications of their choice, connect their choice of device to the internet, and access information about the network management practices of their online services providers (Article 10.11);
- must have measures to address unsolicited commercial electronic messages (SPAM) and provide for recourse against suppliers of SPAM (Article 10.12);
- must allow the cross-border transfer of information by electronic means as part of the activities of a resident business of either Party. However, each Party can restrict such transfers to achieve a legitimate public policy objective provided the restriction is not more than is needed for that purpose and is not an unjustifiable discrimination or disguised restriction on trade (Article 10.13);
- must not require the use of local computing facilities as a condition of doing business in its territory other than to achieve a legitimate public policy objective that is not an unjustifiable discrimination or disguised restriction on trade (Article 10.14);
- recognise the economic and social benefits of facilitating access to open data and, where it elects to make data available, do so in a way that ensures it is appropriately anonymised, accompanied by appropriate metadata and in a machine-readable open format, and where practical, is regularly updated (Article 10.15);
- recognise that technology can enable more efficient and agile government operations and improve the quality and reliability of government services and will endeavour to

digitally transform their government operations and services. The Parties will also look for opportunities to share information and best practice, or otherwise cooperate in relation the digital transformation of their respective governments (Article 10.16);

- must endeavour to ensure that any measures it implements to support digital and electronic invoicing are based on international standards and support cross-border interoperability. The Parties will also endeavour to promote the adoption of electronic invoicing, policies to support electronic invoicing, greater awareness of electronic invoicing, and will look to share best practice in this area (Article 10.17);
- support the development of efficient, safe and secure cross border electronic payments by fostering the use of internationally accepted standards that promote interoperability, competition and innovation. In doing so, the Parties recognise the principles of endeavouring to make relevant regulations publicly available, to take account of relevant international standards, enable cross-border authentication of individuals and businesses, uphold the importance of safely, efficiency and security of payment systems (Article 10.18);
- must endeavour to promote compatibility between their respective digital identity regimes (Article 10.19);
- must endeavour to maintain dialogue on regulatory matters relating to digital trade and to look for opportunities to build capability of their respective government agencies and the promotion of strong a public and private workforce in the area of cybersecurity. Any cooperation is subject the Parties have the necessary resources (Article 10.20); and
- acknowledge the importance of digital inclusion to ensure all businesses and individuals can participate in the digital economy and the need to remove barriers to participation. The Parties will cooperate in these areas and will look to cooperate (Article 10.21).

The above articles of the Digital Trade chapter apply to measures that affect trade by electronic means, but will not apply to (Article 10.3):

- government procurement;
- services supplied in the exercise of a governmental authority;
- financial services (other than the electronic payment article, Article 10.18);
- information held of processed by either Party (other than the open data article, Article 10.15); or
- measures New Zealand deems necessary to protect or promote Māori rights interests, duties and responsibilities (including those related to mātauranga Māori) including in fulfilment of New Zealand's obligations under the Treaty of Waitangi.

5.11 Chapter 11: Government Procurement

The Government Procurement chapter provides in Article 11.2 (Scope) that, where procurements are valued at or above the thresholds specified in each Party's Government Procurement Schedule annexed to the chapter, government entities listed in each Party's Schedule must afford National Treatment and follow certain procedures that provide for transparent and competitive tendering.

- The value threshold for goods and services is SDR134,000 which, for New Zealand, is the equivalent of approximately NZD\$298,000.
- Consistent with recent FTAs, New Zealand has committed all public service entities, but not Crown entities, universities, State-owned enterprises, or local government.
- Subject to a limited range of exceptions, New Zealand has included procurement of all goods and services in its coverage, but not construction services or private-public partnerships.
- New Zealand has excluded procurement of public education, health, welfare, and research and development services.
- Defence and essential security procurements are excluded under general exceptions (Article 11.4).

5.12 Chapter 12: Competition

Competition Laws and Authorities

Article 12.4 provides that each Party must maintain laws that prohibit anticompetitive business practices and must endeavour to apply those laws to all commercial activities in its territory. These laws and their application must give due regard to the principles of transparency, comprehensiveness, non-discrimination based on nationality, and procedural fairness. Each Party must maintain an authority responsible for enforcing its laws.

Procedural Fairness

Article 12.5 outlines specific standards that each Party must have in place to ensure procedural fairness in competition law investigations and enforcement proceedings. These include that a person (or company) is afforded the opportunity to:

- be provided with information and evidence regarding a national competition authority's concern, including identification of the relevant specific competition law engaged;
- engage with the relevant national competition authority at key points on significant legal, factual, and procedural issues;
- submit their views and provide evidence in their defence; and
- The article ensures that confidential information remains protected, subject to the protection of information laws of each Party.

It also ensures that the rationale behind decisions made by a Party when a violation has been found are communicated to the recipient in violation of them, and that that person is given the opportunity to seek judicial review of such a decision. This would be applicable to a finding of a violation by New Zealand courts.

Cooperation

Article 12.6 provides that New Zealand and the UAE may cooperate on the application and effective enforcement of competition law, in a way that is compatible with each Party's law and interests and within its available resources.

Consultation

Article 12.8 provides that the Parties can consult to address a specific matter which may arise under the chapter, or to foster understanding.

5.13 Chapter 13: Intellectual Property

General provisions

The General Provisions contain key definitions and set out a number of core principles for each Party's intellectual property regime, including:

- definitions of 'intellectual property' and 'national', for purposes of the chapter, which are consistent with those of the WTO Agreement on Trade-Related Intellectual Property (TRIPS) (Article 13.1);
- the objectives for the protection and enforcement of intellectual property to promote trade, investment, innovation and the transfer and dissemination of technology for the benefit of the producers and the users of the protected knowledge, and in a manner that enhances social and economic outcomes (Article 13.2);
- principals that recognise that each Party: may adopt appropriate measures to prevent right holders abusing their intellectual property rights or unreasonably restrain trade provided those measures are consistent with the Agreement; and may adopt measures to protect public health, promote public interest in areas of vital importance, provided those measures are consistent with the chapter. Additionally, the Parties also recognise the need to foster competition (Article 13.3);
- the Parties are required to give effect to the provisions of the chapter but are free to determine how to implement those provisions within their own legal system and practice. The Parties may also provide more extensive intellectual property protections than those set out in the chapter (Article 13.4);
- the Parties affirm their obligations set out in a number of multilateral intellectual property agreements, including, the TRIPS Agreement, and a number of World Intellectual Property Organization agreements (Article 13.5);
- the Parties recognise the principals established by the WTO Declaration on TRIPS and Public Health of 14 November 2001 (Article 13.6);

- consistent with the TRIPS Agreement, each Party will provide 'national treatment' for the categories of IP covered by the chapter, meaning that each Party must provide nationals of the other Party a level of IP protection that is no less favourable than it provides its own nationals (Article 13.7);
- the General Provisions also set out transparency provisions: where the Parties: shall endeavour to make information concerning the application and registration of trademarks, geographical indications, industrial designs, patents and plant variety rights accessible for the general public ; acknowledge the importance of public databases that help identify information that has fallen into the public domain; and shall endeavour to make information available on the Internet in the English language. (Article 13.8);
- the Parties agree that, unless otherwise provided for in the Chapter, the obligations will only apply to subject matter that is subject to intellectual property protection on or after the date of entry of the Agreement and will not have to restore protection to any matter that has fallen into the public domain in that territory (Article 13.9); and
- each Party can determine when IP rights are 'exhausted' under its own legal system. Amongst other things, this means the outcome will not impact New Zealand's current settings that allow the parallel import of otherwise IP protected products (Article 13.10).

Cooperation

Article 13.11 sets out that the Parties will endeavour to cooperate on the subject matter of the chapter. Any cooperation activity will be on mutually agreed terms and subject to the availability of resources.

Trademarks

The section on Trademarks confirms that the Parties will:

- will not require that a sign is visually perceptible in order to be registrable as a trademark (Article 13.12);
- provide that collective and certification marks and signs that serve as geographical indications can be registered under their trademark systems (Article 13.13);
- allow the owners of registered trademarks to prevent others from using signs that are identical or similar to their marks on goods or service that are similar to those on which the owner uses their mark on (Article 13.14);
- provide limited exceptions to the rights conferred by a trademark, taking into account the legitimate interests of the owner and third parties (Article 13.15);
- provide protections for well-known trademarks, including where the mark is not registered in that Party (Article 13.16);
- provide systems for the examination and registration of trademarks that include communicating with the applicant in writing around any decisions about the application, providing the reasoning for any decisions, providing applicants with the opportunity to respond to communications, contest refusals, oppose registrations,

and seek cancellations (Article 13.17); these systems will also be electronic (Article 13.18);

- adopt or maintain a trademark classification system that is consistent with the Nice Agreement Concerning the International Classification of Goods and Services (Article 13.19);
- provide that initial registration and each renewal of registration of a trademark is for a term of at least 10 years (Article 13.20); and
- not require the recordal of trademark licenses to establish their validity or as a condition of use by a licensee (Article 13.21).

Domain Names

Article 13.22 requires that, in connection with each Party's system for the management of its country-code top-level domain (ccTLD) domain names, there are available appropriate procedures for the settlement of disputes that are low cost, not overly burdensome, fair and equitable and do not preclude judicial proceedings, as well as online databases with accurate contact information concerning domain name holders.

Country Names

Article 13.23 sets out that each party will provide means for interested persons to prevent the commercial use of a country name of a Party in a way that misleads consumers about the origin of the goods on which the name is used.

Geographical Indications

The geographical indications section:

- defines a geographical indication as an indication that identifies a good as originating in the territory, region or locality of a Party where a quality, the reputation or other characteristic of the good is attributable to its geographic origin;
- reaffirms that geographical indications may be protected through a trademark or sui generis system or other legal means (Article 13.24);
- requires that, if a Party provides administrative protection of geographical indications (including through a trade mark or sui generis registration system)) any information about the administrative procedures for the protection or recognition of geographical indications, is publicly available (Article 13.25); and
- requires that if a Party grant protection or recognition to a geographical indication through such an administrative procedure, that protection shall commence no earlier than the filing date of the application for protection (Article 13.26).

Patents

The patents section requires each Party to:

- provide for a 12-month grace period, under which each Party will disregard information contained in public disclosures made by a patent applicant, or a person that obtained the information from the applicant within the 12 months prior to a

patent application, in assessing whether contents of the application are novel or have an inventive step (Article 13.27);

- provide a system for the examination and registration of patents that includes communicating with the applicant in writing, around any decisions about the application, providing the reasoning for any decisions, and that provides applicants with the opportunity to respond to communications, contest refusals, oppose registrations, and seek cancellations (Article 13.28); and
- allow patent applicants at least one opportunity to make amendments, corrections or observations in connection with their application, and allow patent holders the opportunity to make amendments and corrections after registration which do not broaden the scope of the registered patent (Article 13.29).

The section also allows for each Party to provide limited exceptions to the rights conferred by a patent, taking into account the legitimate interests of the owner and third parties (Article 13.30).

Industrial Designs

In the industrial designs section of the chapter the Parties agree to:

- provide systems for the examination and registration of industrial designs that include communicating with the applicant in writing, around any decisions about applications, providing the reasoning for any decisions, providing applicants with the opportunity to respond to communications, contest refusals, oppose or invalidate registrations, and seek cancellations (Article 13.31);
- allow industrial design applicants at least one opportunity to make amendments, corrections or observations in connection with their application, and allow industrial design holders the opportunity to make amendments and corrections after registration which do not broaden the scope of the registered industrial designs (Article 13.32); and
- ensure that the requirements for securing a registered industrial design do not unreasonable impair the opportunity to obtain such protection and that the duration of protection available for registered industrial designs amounts to a least 15 years (Article 13.33).

The section also allows for each Party to provide limited exceptions to the rights conferred by the registration of an industrial design, taking into account the legitimate interests of the owner and third parties (Article 13.34).

Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions

Under Article 13.35 the Parties have agreed that they may establish appropriate measures to protect genetic resources, traditional knowledge, and traditional cultural expressions. The Parties have also agreed to endeavour to use, where applicable and appropriate databases or digital libraries which contain relevant information on traditional knowledge associated with genetic resources, and, when determining prior art in a patent application.

Copyright and Related Rights

The copyright and related rights section sets out that:

- consistent with relevant international agreements, the Parties will provide adequate and effective protection to authors for their works, performers for fixations of their performances in phonograms, producers for their phonograms and broadcasters for their broadcasts, broadcasting organizations will also have the exclusive right to authorise the broadcasting of their broadcasts (Article 13.36);
- the Parties will provide that the term of protection for a work is calculated as at least life of the author and 50 years after the author's death, for a performance is at least 50 years from the end of the year in which the performance was fixed, for a phonogram as at least 50 years from the end of the year in which the phonogram was published or if it is not published from when it was fixed, and that the term of protection granted to broadcasting organizations is at least, 20 years from the end of the year in which the broadcast took place (Article 13.37);
- the Parties may provide limited exceptions or limitations to the rights conferred by copyrights and related rights to certain special cases taking into account the legitimate interests of the owner and third parties, consistent with the limitations and exceptions in the TRIPS Agreement, Berne Convention the WCT and the WPPT (Article 13.38);
- the Parties will endeavour to achieve an appropriate balance between copyright and related rights and limitations and exceptions for legitimate purposes and, in doing so, will give due consideration to legitimate purposes such as such as, criticism; comment; news reporting; teaching, scholarship, research, and other similar purposes; and facilitating access to published works for persons who are blind, visually impaired or otherwise print disabled (Article 13.39);
- the Parties shall allow copyright or related right holders, who hold an economic right in a work, performance or phonogram to freely transfer the right by contract and to enjoy the benefits derived from that right (Article 13.40);
- the Parties recognise 'rights-management information' as information provided by the right holder to identify a work or protected subject matter and the Parties will provide adequate and effective legal remedies against those who remove or alter any electronic rights management information and/or distribute, import for distribution, broadcast or communicate to the public, without authority, works or copies of works where electronic rights management information has been removed or altered without authority (Article 13.41); and
- the Parties also recognise the role of collective management societies for copyright and related rights in collecting and distributing royalties (Article 13.42).

Enforcement

Under the enforcement section the Parties agree to:

- provide for the enforcement of intellectual property rights consistent with the TRIPS Agreement, including by ensuring that the enforcement procedures available under their laws permit effective action against any act of infringement of intellectual

property rights, and include expeditious remedies to prevent infringements and remedies that constitute a deterrent to future infringements, but shall be applied in such a manner as to avoid the creation of barriers to legitimate trade (Article 13.43), and

- adopt or maintain procedures to enable a right holder, who suspects the importation of counterfeit trademark or pirated copyright goods to lodge application with authorities in the Parties to prevent the Party's Customs authorities from releasing the suspected infringing goods into free circulation, Parties may also extend these procedures to goods involving infringements of other intellectual property rights (Article 13.44).

5.14 Chapter 14: Trade and Sustainable Development

Under the Trade and Sustainable Development (TSD) chapter, New Zealand and the UAE have made a number of commitments including to:

- recognise the sovereign right of each Party to establish, administer and enforce its environment and labour laws, regulations, policies and priorities, in a manner consistent with the rights and obligations in this Agreement (Article 14.2.6), and
- recognise the importance of providing for and encouraging high levels of environmental and labour protection and to continue to improve their respective levels of environmental and labour protection (Article 14.2.7).

Under Multilateral Agreements (Article 14.3), to:

- implement the multilateral environmental agreements, protocols and amendments that New Zealand and the UAE have ratified and are in force

Under General Provisions (Article 14.4), to:

- recognise the importance of the effective enforcement of their environment and labour laws (Article 14.4.1);
- ensure that environmental and labour laws or other environmental and labour measures are not used for protectionist trade purposes (Article 14.4.2); and
- not seek to encourage trade or investment by weakening or reducing the protection afforded in their respective environmental and labour laws (Article 14.4.2).

In the area of Labour Rights (Article 14.5), to:

- endeavour to adopt and maintain the principles concerning the fundamental rights at work in accordance with their laws and regulations, and their obligations as members of the International Labour Organisation and the Declaration on Fundamental Principles and Rights at Work (Article 14.5.1);
- adopt or maintain laws and regulations, and practices thereunder governing decent working conditions (Article 14.5.2); and

- share information, experiences and good practices related to the goal of eliminating all forms of forced or compulsory labour, including forced or compulsory child labour (Article 14.5.3).

On Women's Economic Empowerment (Article 14.6), to:

- recognise the importance of the empowerment and participation of all women in advancing sustainable and inclusive growth and development (Article 14.6.1);
- recognise the importance of adapting, maintaining and implementing women's economic empowerment laws, regulations, policies and best practice in line with the SDGs, while also recognising CEDAW, the Beijing Declaration and Platform for Action and the WTO Joint Declaration on Trade and Women's Economic Empowerment (Article 14.6.2); and
- implement the Agreement in a manner that advances the full, equal and meaningful participation of women in the economy, fosters women's entrepreneurship, helps them access the benefits and opportunities in this Agreement, exchange information and best practice to enhance women's participation and provide opportunities for wāhine Māori (Article 14.6.3).

Regarding trade and Climate Change (Article 14.7), to:

- achieve the objectives of the UNFCCC and the Paris Agreement (Article 14.7.1);
- recognise the important and unique connection Indigenous Peoples have to the environment. And recognise the contribution that Indigenous histories, knowledge and knowledge systems, cultures and practices can make towards sustainable trade and investment (Article 14.7.3);
- promote policies, programmes and areas of innovation to achieve climate goals in areas such as reducing greenhouse gas emissions, international carbon markets, nature-based solutions and food systems and agriculture (Article 14.7.4); and
- cooperate on ways to mitigate and adapt to climate change such as through the Paris Agreement, at the WTO and the UN, and on the trade-relates aspects of climate change (Article 14.7.5).

In the area of trade and Sustainable Natural Resources (Article 14.8), to:

- acknowledge that the multilateral trading system and the WTO have an important and positive role to encourage the sustainable use of resources, ecosystems, services and long-term growth (Article 14.8.1);
- acknowledge the harmful environmental consequences that subsidies across all sectors can have and continue to work together to advance the Parties shared ambition on the WTO Agreement on Agriculture and the WTO Agreement on Fisheries Subsidies (Article 14.8.2, Article 14.8.3);

- cooperate bilaterally and internationally, including through dialogue, to understand the implications, operations and future direction of environmentally harmful subsidies (Article 14.8.4); and
- recognise the value that providing financial support, including through the repurposing or financial support for subsidies, can have on environmental outcomes through improved policies, practices, research and development (Article 14.8.4).

On trade and Sustainable Agriculture (Article 14.9), to:

- recognise principles of sustainable, inclusive, healthy and resilient food systems such as encouraging innovation and research and development, promote practices that mitigate and adapt to climate change, base approaches in risk- and science-based decision making, highlight the positive role of the multilateral trading system and avoid policies that undermine global food security (Article 14.9.1, Article 14.9.2), and
- identify implementation opportunities for the COP28 Declaration on Sustainable Agriculture and Food systems (Article 14.9.3).

On trade and Sustainable Fisheries (Article 14.10), to:

- recognise the importance of conserving and sustainably managing marine fisheries and aquaculture, and the role that trade has to pursue this objective (Article 14.10.1), and
- agree to support international action to address IUU fishing, including through bilateral and international frameworks and cooperate on fisheries and aquaculture policies bilaterally, regionally and internationally and promote sustainable fishing practices and trade in fish products from sustainably managed fisheries (Article 14.10.2).

Regarding trade and Sustainable Forestry (Article 14.11), to:

- recognise the opportunities for future generations, including by addressing climate change and reducing biodiversity loss, that conservation and sustainable management of forests can have and the role of trade in pursuing this objective (Article 14.11.1), and
- promote conservation and sustainable management of forests, the combatting of illegal logging and deforestation and trade in legally, sustainably produced commodities that could otherwise be associated with deforestation (Article 14.11.2).

In the area of Resource Efficient and Circular Economy (Article 14.12), to:

- recognise that trade has a role to play in transitioning to a resource efficient and circular economy, and that this can reduce the adverse impacts on the environment and improve resource security (Article 14.12.1; Article 14.12.2);
- agree to applying circular economy principles in sectors such as sustainable manufacturing, green infrastructure, sustainable transport and sustainable food production and consumption to encourage resource efficient product design, eco-labelling, and encourage reuse, repair and remanufacturing (Article 14.12.3); and

- encourage a resource efficient and circular economy by cooperating on policies and practices, promoting trade in secondary materials and used goods and sharing best practice (Article 14.12.4).

On Environmental Goods and Services (Article 14.13), to:

- strengthen the market for environmental goods and services as a means of improving environmental and economic performance, including climate change, through trade, and
- agree to promote environmental goods and services through supporting transparent, factual and non-misleading sustainability schemes or other voluntary initiatives (Article 14.13.2).

Regarding Eco-labelling (Article 14.14), to:

- recognise that eco-labels can encourage innovation and build consumer awareness and encourage the update of transparent, factual and non-misleading sustainability schemes, such as fair and ethical trading schemes and eco-labels.

On Conservation of Biological Diversity (Article 14.15), to:

- recognise the importance of international conventions and the role of trade in pursuing the conservation of and sustainable use of biological diversity, especially to prevent the spread of invasive alien species and protect and conserve wild fauna and flora (Article 14.15.1), and
- recognise the importance of respecting, protecting, preserving and maintaining knowledge, innovations and practices of Indigenous Peoples embodying traditional lifestyles that contribute to the conservation and sustainable use of biological diversity, and the role of international trade in supporting this (Article 14.15.2).

5.15 Chapter 15: Indigenous Trade and Economic Cooperation

The Indigenous Trade and Economic Cooperation chapter creates frameworks for engagement, to encourage cooperation and trading connections between the two Parties' Indigenous Peoples. There are no binding obligations within the chapter.

5.16 Chapter 16: Small and Medium-Sized Enterprises

The Small and Medium-Sized Enterprises chapter creates frameworks for engagement and to assist and facilitate SMEs access the benefits of the Agreement. There are no binding obligations within the chapter.

5.17 Chapter 17: Economic Cooperation

The Economic Cooperation chapter creates frameworks for business-to-business engagement to assist and facilitate the implementation of the Agreement by both Parties. There are no binding obligations within the chapter.

5.18 Chapter 18: Transparency

Article 18.1 provides that each Party is required to ensure its laws, regulations, procedures, and administrative rulings of general application with respect to any matter covered by this Agreement are promptly published, where feasible electronically.

Article 18.2 requires the Party to provide information and promptly respond to any questions by the other Party on these laws or regulations.

Article 18.3, focused on administering all measures of general application with respect to any matter covered by this Agreement in a consistent, impartial and reasonable manner, provides that each Party shall endeavour to ensure that, where a person is directly affected by administrative proceedings, it does the following where possible:

- provides sufficient notice of any administrative proceeding, as well as a description of the nature of the proceeding, the legal authority for it, and a description of the issue in question;
- provides a reasonable opportunity for that person to present facts and arguments in support of their position prior to any administrative action; and
- ensures that the procedures are in accordance with its law.

Article 18.4 provides that each Party must endeavour to establish or maintain an ability for an administrative action with respect to any matter covered by the CEPA to be reviewed. Each Party needs to endeavour to ensure that in these reviews, the Parties to that review have the right to:

- a reasonable opportunity to support or defend their respective positions, and
- a decision based on the evidence and submissions of record or, where required by its law, the record compiled by the relevant authority.

In Article 18.5, the Parties also affirm their commitments to transparency under the WTO Agreements.

5.19 Chapter 19: Administration of the Agreement

Article 19.1 establishes a Joint Committee comprising representatives of both Parties to oversee attaining the objectives of the CEPA. The Committee may meet at senior official or ministerial level as determined by the Parties.

Article 19.2 requires the Committee to meet within a year of the CEPA entering into force, and every two years following, unless otherwise agreed. The Parties take turns chairing Committee meetings.

Article 19.3 splits the functions of the Committee into mandatory and non-mandatory functions. The Committee must perform the mandatory functions, and has discretion to perform the non-mandatory functions.

The mandatory functions (Article 19.3.1) include:

- considering any matter relating to the implementation of the CEPA;
- considering proposals to amend the CEPA that are referred to the Committee;
- supervising the work of all subsidiary bodies established under the CEPA; and
- establish the Committee rules of procedure.

The non-mandatory functions (Article 19.3.2) include:

- establishing, merging and dissolving any subsidiary bodies established under the CEPA;
- issuing interpretations of the provisions of the CEPA;
- developing arrangements for the implementation of the CEPA; and
- considering any other matter that may affect the operation of the CEPA.

Decisions made by the Committee are done by mutual agreement (Article 19.3.3).

Article 19.4 provides that the Parties must designate a contact point within 30 days of entry into force of the Agreement, through which official communications related to the CEPA are managed.

Article 19.5 provides that the Parties undertake a general review of the CEPA every five years following entry into force unless agreed otherwise, with a view to furthering its objectives. It states that normally these reviews shall coincide with regular meetings of the Committee.

5.20 Chapter 20: Dispute Settlement

The starting point with this chapter is that Parties must endeavour to make every attempt to resolve any matter affecting the operation of the CEPA through cooperation, consultation or other means.

Where a matter cannot be resolved in this way, the Dispute Settlement chapter aims to create an effective and efficient mechanism for avoiding and settling disputes between the Parties concerning the interpretation and application of this Agreement with a view to reaching, where possible, a mutually agreed solution (Article 20.1).

Article 20.3 provides that the Chapter applies to measures of a Party inconsistent with its obligations in the CEPA, or a failure by a Party to carry out obligations in the CEPA, and specifies that all provisions of the Agreement are within scope, with the exception of Chapter 5 (Trade Remedies), Chapter 12 (Competition), Chapter 14 (Trade and Sustainable Development), Chapter 15 (c) Indigenous Peoples Economic and Trade Cooperation), Chapter 16 (Small and Medium-Sized Enterprises) and Chapter 17 (Economic Cooperation).

Article 20.4 provides that each Party shall designate a contact point, to which all communication between the Parties with respect to this Chapter shall be delivered.

Consultations

The first step in any dispute under this chapter is to enter into formal consultations. Article 20.6 (Consultations) provides for the timeframe for this consultation to take place. There are information provisions, and confidentiality requirements that also apply. The consultations are to be entered in good faith and with the aim of reaching a mutually agreed solution.

Good Offices, Conciliation or Mediation

Throughout the dispute settlement process, Parties may voluntarily undertake Good Offices, Conciliation or Mediation (Article 20.7). These are confidential and without prejudice to further proceedings.

Establishment of Panel

Article 20.8 provides for when a complaining Party may request the establishment of a panel. Where consultations are unsuccessful, including where the responded Party does not appear within the appropriate timeframe, the complaining Party sends the request to establish a panel to the responding Party.

The panel must have three panellists, and each Party appoints one panellist of their own choosing. The third panellist is agreed on between the Parties in accordance with Article 20.9 (Composition of a Panel).

Operation of the Panel

Article 20.13 provides for the functions of the panel. Article 20.14 provides for the establishment of terms of reference; Article 20.15 provides that the interpretation of provisions at issue in a dispute is governed by customary rules of public international law,

and that the panel may take into account panel reports from the WTO; Article 20.16 provides the rules of procedure, and Article 20.17 provides for the receipt of information in relation to the dispute by the panel.

Reports of the Panel

Article 20.18 sets out the procedures with regards to the interim report of the Panel, delivered within 90 days after the date of composition of the panel. Article 20.19 provides for the panel's final report, issued within 120 days of the date of composition of the panel, unless otherwise agreed. The final report shall include a discussion of any written comments and requests made by the Parties on the interim report. The final report is binding on the Parties and must be made public within 15 days of its delivery to the Parties.

Implementation of the Report

Article 20.20 states that if a Party is found to have adopted a measure inconsistent with the CEPA, or is otherwise found to have failed to carry out its obligations in the CEPA, that Party must eliminate the non-conformity. If this is not possible immediately, the responding Party is required to advise a reasonable period of time for compliance. Article 20.21 provides that where the Parties cannot agree to the reasonable period of time, they can request the panel decide this for them.

Compliance Review

Article 20.22 provides that when a reasonable period of time to eliminate non-conformity has elapsed, the responding Party must tell the complaining Party what it has done to comply with the panel's findings. If the Parties disagree as to whether this action is sufficient to comply with the findings, the complaining Party may request the original panel decide on whether the actions the responding Party took were sufficient to eliminate the non-conformity.

Temporary Remedies in Case of Non-Compliance

Article 20.23 states that if a respondent Party:

- does not tell the complaining Party of what it has done to comply with the final report in time;
- tells the complaining Party it does not intend to comply with the panel's findings;
- the panel finds that the respondent Party has not complied with their findings; or
- it is obliged to enter into consultations with the complaining party to seek to find mutually satisfactory compensation.

Where this does not result in agreeable compensation, or if the complaining Party does not request consultation for compensation, the complaining Party is able to suspend concessions or other obligations under the CEPA. The timeframes and operation of the suspension of concessions are set out in the Article. This suspension is subject to review as provided for under Article 20.24.

Other provisions

Article 20.25 through to Article 20.30 sets out other provisions, including those relating to suspension of proceedings for up to 12 consecutive months, choice of forum, remuneration of the panel and other expenses, and time periods, and related annexes on rules of procedure and code of conduct.

5.21 Chapter 21: Exceptions

The Exceptions Chapter provides exceptions that allow the Parties to justify actions that would otherwise violate the obligations under the CEPA.

General Exceptions

Article 21.1 (General Exceptions) applies the General Exceptions set out in Article XX of the WTO General Agreement on Tariffs and Trade (GATT) to the CEPA to chapters where such exceptions are relevant. The exceptions in Article XIV of the WTO General Agreement on Trade in Services (GATS) general exceptions are similarly incorporated.

Security Exceptions

The security exceptions provided for in Article 21.2 allow Parties to adopt non-discriminatory measures necessary to protect public security. Accordingly, each Party is permitted to take action which it considers necessary for the protection of its essential security interests in specified circumstances. These include measures relating to arms control, nuclear materials, any measures taken in a time of war or other emergency in international relations, and procurement for national security or defence purposes. In addition, any action, such as the imposition of sanctions, taken in accordance with our obligations under the United Nations Charter for the maintenance of international peace and security, is permitted.

Taxation

The taxation exception provided for in Article 21.3 sets out the scope of application of the CEPA's obligations to taxation measures and provides various exceptions and policy space for governments in this area.

Treaty of Waitangi

The CEPA includes New Zealand's standard Treaty of Waitangi exception in Article 21.4. This allows New Zealand to take measures it deems necessary to accord more favourable treatment to Māori in respect of matters covered by the Agreement, including in fulfilment of its obligations under the Treaty of Waitangi. The article also states that the interpretation of the Treaty of Waitangi is not subject to dispute settlement.

Restrictions to Safeguard the Balance of Payments

The balance of payments exception provided for in Article 21.5 provides policy flexibility in the case of serious balance of payments or external financial difficulties. It places limitations on when a Party can put in place restrictive measures on payments or transfers relating to the movements of capital, and on payments or transfers for current account transactions. Under Article 21.5.2, such measures must not exceed what is necessary to

deal with the circumstances. Further, a measure must be temporary and phased out progressively as the circumstances described in the exception improve.

5.22 Chapter 22: Final Provisions

Article 22.1 provides that the annexes, side letters and footnotes to the CEPA constitute an integral part of the Agreement.

Article 22.2 provides that the Parties are able to amend the Agreement upon written agreement, and subject to completing each Party's domestic legal procedures.

Article 22.3 provides that any State, group of States or separate customs territory may accede to the CEPA, subject to terms and conditions as agreed and after completing each Party's domestic legal procedures.

Article 22.4 provides that the Agreement can be terminated by either Party, with any termination applicable six months after notification, unless agreed otherwise.

Article 22.5 provides that the Agreement enters into force 60 days after the date on which the Parties have notified each other in writing, through diplomatic channels, confirming that they have completed their respective domestic procedures necessary for entry into force of this Agreement, unless otherwise agreed.

Article 22.6 provides that the English and Arabic texts of the CEPA are equally authentic, with the English text prevailing in the event of any divergence between those texts.

5.23 Associated Treaty and side letters

5.23.1 Bilateral Investment Treaty: Agreement on the Promotion and Protection of Investments

Obligations in the Bilateral Investment Treaty

The *Agreement between the Government of the United Arab Emirates and the Government of New Zealand on the Promotion and Protection of Investments*, a bilateral investment treaty (NZ-UAE BIT), was negotiated alongside and in conjunction with the NZ-UAE CEPA. The substance of the Agreement is aligned with the investment chapters of New Zealand's existing free trade agreements; the form reflects the UAE's practice of concluding bilateral investment treaties with trade and investment partners.

There are two kinds of obligations that the New Zealand government will owe to investors and investments under the BIT: those in respect of which the Parties may enter reservations ('reservable obligations'); and those that are derived from obligations owed at customary international law and in respect of which the Parties may not enter reservations ('non-reservable obligations').

Reservable Obligations

The key obligations of each type are described below:

- Article 12 of the NZ-UAE BIT allows each side to list areas where it intends to maintain or adopt measures that are inconsistent with the National Treatment, Most-Favoured-Nation, Performance Requirements, and Senior Management and Board of Directors obligations set out below;
- National Treatment: Article 3 of the NZ-UAE BIT provides that each Party must treat investors and covered investments of the other Party no less favourably than it treats its own service and service suppliers;
- Most-Favoured-Nation (MFN) Treatment: Under Article 4, that Party must treat the investors and covered investments of the other Party no less favourably than those from any other country. This obligation means that UAE investors would receive the benefits of any additional liberalisation that New Zealand might provide to third countries in international investment agreements, and vice versa;
- Prohibition of Performance Requirements: Article 9 prevents stipulated requirements being imposed on investors or investments. These include restrictions on volume or value or imports or exports, and level or percentage of exports of domestic content; and
- Senior Management and Boards of Directors: Article 14 includes two requirements. First, that either Party may not require the appointment of a certain nationality to a senior management position. Secondly, while a Party can require that a majority of the Board of Directors (or any committee of a board), be of a particular nationality or resident in the territory, it may not do this if it would materially impair the ability of the investor to exercise control over its investment.

Reservations to the above obligations

Only New Zealand has set out a list of reservations in the NZ-UAE BIT, consistent with established practice.

As per New Zealand's standard practice, New Zealand's reservations are listed for New Zealand's overseas investment screening regime, the provision of public law enforcement and correctional services, as well as social services established for a public purpose. These are set out in Annex D of the BIT (Schedule of New Zealand).

New Zealand has also listed in Annex D its standard reservation preserving policy space to protect and promote Māori rights and interests in relation to electronically enabled trade, to ensure the Government can regulate to promote and protect Māori interests in the digital space, including the digital provision of services.

Non-reservable Obligations

The Reservable obligations above are supplemented by non-reservable obligations: rules designed to protect investors and investments from conduct to which investors in foreign countries can be exposed:

- Treatment of Investment: Article 2 of the NZ-UAE BIT obliges each Party to treat investments in accordance with the customary international law minimum standard of treatment which requires fair and equitable treatment and the provision of full protection and security.
- Compensation for Losses: Article 5 obliges each Party to provide compensation for losses relating to armed conflict, civil strife, or state of emergency no less favourable than that which it accords to its own investors or investors of a non- Party.
- Expropriation: Article 6 provides that a Party must not expropriate or nationalise a covered investment, except for a public purpose, in accordance with due process of law, in a non-discriminatory manner, and on payment of compensation.
- Transfers: Article 7 obliges each Party to permit transfers relating to a covered investment freely and without delay into and out of their territory.

5.23.2 Wine side letter

There are no binding obligations on New Zealand within the wine side letter.

5.23.3 Future Work Programme side letter

This side letter, which constitutes an integral part of the CEPA, contains three elements:

1. Antimicrobial Resistance (AMR)

The section commits the Parties to cooperate and facilitate the exchange of information in the field of AMR, and also provides that the Parties may cooperate internationally on AMR.

2. Contractual Service Suppliers

This section commits that within twelve months from the date of entry into force of this Agreement, the Parties conduct a review to consider the inclusion of contractual services suppliers in their Schedules of Specific Commitments to the Trade in Services chapter, and to negotiate in good faith the terms and conditions of such inclusion.

3. Self-Certification

There are no binding obligations on New Zealand within this element of the future work programme side letter.

5.23.4 Energy Resources side letter

There are no binding obligations on New Zealand within the energy resources side letter, except that it must follow the specified process in relation to any consultations.

6. Measures which the Government could or should adopt to Implement the Treaty Action, the Intentions of the Government in Relation to such Measures, Including Legislation

In order to bring the NZ-UAE CEPA into force, amendments to legislation are required to enable New Zealand to implement its obligations. These include:

- amending secondary legislation under the Tariff Act 1988 to enable the application of the agreed preferential tariff rates, and to implement obligations relating to the tariff treatment of goods returned after repair or alteration;
- amending the Customs and Excise Regulations 1996 to implement the agreed rules of origin and product specific rules of origin for goods imported under the Agreement; and
- amendments to the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 to increase from NZ\$100 million to NZ\$200 million the monetary threshold for investments by UAE non-government investors in 'significant business assets' in New Zealand.

7. Economic, Social, Cultural and Environmental Effects of the Treaty Entering into Force / Not Entering into Force for New Zealand

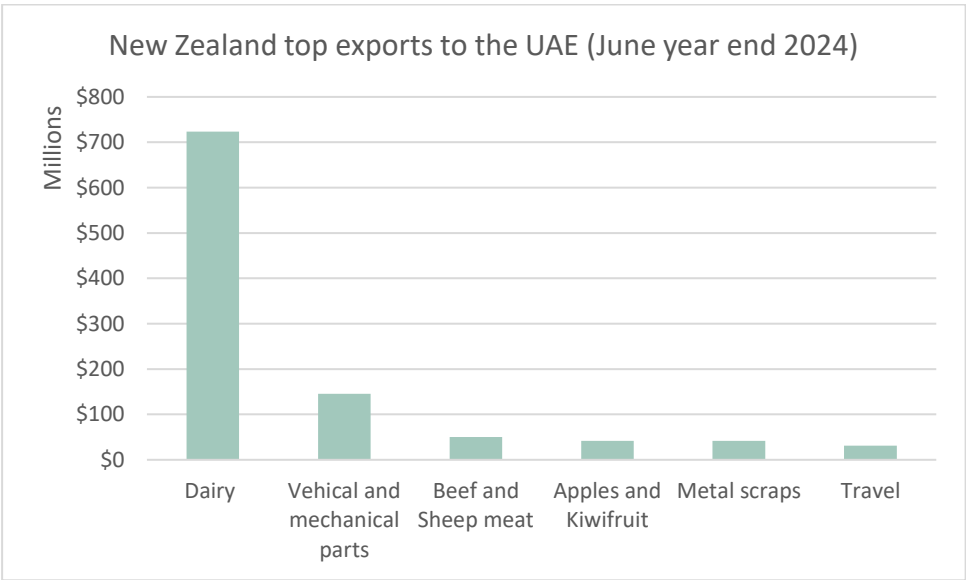
This chapter assesses the overall economic, social, cultural, and environmental effects of joining the NZ-UAE CEPA for New Zealand.

This analysis draws on the advantages and disadvantages of the Agreement outlined in Section 4, as well as analysis conducted on previous free trade agreements.

7.1 Summary of impacts from the UAE FTA

In the year ended June 2024 New Zealand exported \$1.1 billion of total goods and services to United Arab Emirates and imported \$152 million. The UAE is New Zealand’s 17th largest export partner and represents 1.1% of New Zealand’s total exports of total goods and services.

New Zealand largest exports to the UEA are dairy (including infant formula), vehicle and mechanical parts, beef and sheep meat, and apples. Our largest services exports are travel and business services. Since 2019, New Zealand exports to the UAE have increased by 21% largely driven by increasing in dairy export values.



Almost all (98.5%) New Zealand exports to the UAE will have tariffs removed immediately on entry into force growing to 99% within three years. The remaining 1% of exports – sparkling wine and still wine in containers of two litres or less – will see an immediate 10% tariff reduction, with the possibility of further tariff decreases in the future pursuant to the wine side letter. The NZ-UAE CEPA eliminates the potential for exporters to face over \$40

million in tariff costs.²⁰ However in reality this figure is likely to be significantly lower, as the majority of New Zealand exports into the UAE currently enter under unilateral UAE duty exemption programmes.

As with goods, the NZ-UAE CEPA's services outcomes provide commitments for numerous sectors including education services, professional services, and the audio-visual and gaming sectors. The NZ-UAE CEPA will also bring enhanced opportunities for attracting UAE investment into New Zealand. In addition to an investment facilitation chapter in the CEPA, a bilateral investment treaty (BIT) was concurrently concluded with the UAE. The NZ-UAE BIT contains the same policy protections New Zealand has in place in our other FTAs. In line with New Zealand policy, it does not include investor-state dispute settlement (ISDS).

7.2 Economic impacts

7.2.1 UAE Medium-term economic opportunities

Based on New Zealand's goods trade profile with the UAE, there are some export categories that may benefit from a closer trading relationship with the UAE over the medium term. Compared to the share of world exports it takes, the UAE's share of New Zealand's goods exports is underrepresented for some important New Zealand export categories shown in Table 1 below. Tariff elimination under the NZ-UAE CEPA provides exporters in certain industries opportunities to gain market share in the UAE over the coming years.

Table 1: The UAE's import share of exports by select categories over 2021-2023

	Share of New Zealand's global exports (%)	Import share of world exports (%)	Tariff reduction (%pts)
Frozen beef	0.11	1.11	5
Sheep meat	0.12	4.77	0 - 5
Fresh and frozen seafood	0.07	0.58	0 - 5
Horticulture products	0.21	1.74	0 - 5
Honey	1.06	1.56	5
Certain dairy products (whey protein and caseinates)	0.03	0.20	5
Certain food preparations (e.g. ice-cream, soups, sauces)	0.07	1.27	5 5 (to 45%)
Wine	0.26	0.81	5
Wood and related items (e.g. rough logs, sawn timber)	0.14	1.10	5
Precious metals and stones (e.g. gold)	1.01	13.47	0 - 5

7.2.2 UAE Long-term economic opportunities

Over the longer term, the UAE provides New Zealand exporters with strong market growth potential. In addition to the UAE's extensive proven hydrocarbon reserves that underpin the UAE economy, the UAE is focused on actively diversifying its economic base. Tourism

²⁰ Calculated based on the UAE's standard MFN tariff and UAE imports from New Zealand across a three-year period (2021-2023)..

has developed into a key contributor of the UAE economy, accounting for around 9% of the UAE's GDP. Moreover, the UAE has an industrial strategy to significantly expand non-oil sectors' contribution to GDP. This includes focus on growing its activity in trade and logistics as a major shipping hub in the region. In addition, the UAE has ambitions to expand its manufacturing, and renewable energy sectors. Construction is also likely to remain a significant contributor to economic activity in the UAE supported by major Government-funded infrastructure projects.

While the UAE market is modest in size, it is seen as a growing high-value consumer market, offering opportunities for New Zealand exporters. The UAE ranks highly in measures of market opportunities, quality of infrastructure, ease of doing business, and openness toward foreign investment. Moreover, incomes are comparable to other high-income countries. For instance, projections of GDP per capita for the UAE are expected to hit US\$64,000 by 2033 from a little under US\$50,000 last year. The UAE's consumer market is also supported by its success as a tourist destination in the Middle East, and as a favourable destination for skilled migrants – owing to its development of considerable business and financial services sectors. The UAE's attractiveness as a destination for expatriates is likely to continue to underpin population growth in the country. These factors all point to growing market opportunities in the UAE for New Zealand exporters over the long term.

7.3 Effects on SMEs, women, and regional economies

While the NZ-UAE CEPA is expected to generate overall economic benefits to New Zealand, the effects for groups such as SMEs, women, and regional economies will vary depending on a range of characteristics, including their sectoral representation and export propensities in products expected to benefit most from the NZ-UAE CEPA.

For SMEs, outcomes in the NZ-UAE CEPA that reduce non-tariff barriers and streamline trade facilitation may have larger benefits for SMEs that trade with the UAE than larger firms. SMEs - typically defined as those with fewer than 50 employees - are a key feature of New Zealand's economy and export sector, representing around 96% of firms involved in exporting goods²¹. However, administrative processes associated with trade can disproportionately affect small firms as they have fewer resources than larger ones to navigate regulatory frameworks in overseas markets. As a result, outcomes in the NZ-UAE CEPA that support trade facilitation and reduce compliance and administrative costs for businesses would be expected to be particularly beneficial for SMEs.

As female-led export businesses tend to be smaller than those led by men, these trade facilitation benefits are also expected to accrue to women in businesses that export to the UAE. Research from the OECD has shown that women-owned and women-led exporting businesses in New Zealand, as in many developed countries, tend to be smaller than those led by men.²² As a result, the OECD highlighted the importance of improving trade

²¹ MFAT Working Paper, *'All for Trade and Trade for All: Inclusive and Productive Characteristics of New Zealand Goods Exporting Firms'*, 2022

²² OECD, *'Trade and Gender Review of New Zealand'*, June 2022

facilitation as a mechanism to reducing barriers to trade for New Zealand women in exporting.

The NZ-UAE CEPA includes provisions related to women's economic empowerment. The agreement recognises the important role women play in advancing sustainable and inclusive economic growth. The agreement also recognises that it is important to design, adapt, and maintain policies that advance women's roles in trade and investment, including their economic empowerment. In this way, the agreement provides a framework to address these does attempt to work towards bridging the gaps between men and women in trade.

However, the scale of these benefits from the NZ-UAE CEPA may be constrained by the relatively low representation of women in industries expected to benefit most notably from the agreement – notably, agriculture. Women have long been underrepresented as both employees and business owners in agriculture, forestry, and fishing. This low representation may reduce the extent to which women experience the upgrade's economic benefits.

The distribution of benefits across regional economies in New Zealand will also differ due to the variability in industry composition across regions and their export exposure to the UAE. Regions such as Gisborne, the West Coast, Southland, and Tasman sell a higher proportion of their exports to the UAE than other regions, reflecting the relatively high export-orientation of their economies and their comparative advantage in agricultural production – New Zealand's primary export to the UAE.²³ As a result, these regions are expected to benefit more from economic outcomes associated with the NZ-UAE CEPA.

7.4 Effects on Māori

As the founding document of New Zealand, the Treaty of Waitangi is fundamental to the ongoing relationship between the Government and Māori. All of New Zealand's FTAs, including NZ-UAE CEPA, include a specific provision preserving the pre-eminence of the Treaty of Waitangi in New Zealand. This is designed to ensure that nothing in the NZ-UAE CEPA would prevent the Crown from meeting its obligations to Māori. It also specifies that New Zealand's interpretation of the Treaty of Waitangi will not be subject to dispute settlement.

Exporting is also an important driver of economic outcomes for Māori due to the significant role exporting plays in the Māori economy. In 2023, Māori Authorities and other Māori enterprises exported around \$1.4 billion of goods, and around one in four Māori workers derived their livelihoods from producing goods and services for export.²⁴ Much of the engagement of Māori business in trade arises from the relatively high share of land and other primary sector assets owned by Māori and the high rate of Māori employment in primary industries. As the NZ-UAE CEPA is expected to deliver particular benefits for the agriculture and food sector, the agreement will improve market access and trade

²³ MFAT Research Paper, *'Industry Exposure to Trade – The Trade Opportunities and Risk Model'*, 2020

²⁴ MFAT Working Paper, *'Understanding the Linkages Between Trade and Productivity, Sustainability and Inclusiveness'*, June 2020.

facilitation for products of particular relevance to Māori export businesses. The general improvement in market access more generally to the UAE will also provide wider opportunities for Māori firms to grow and diversify. These benefits have been noted by Te Taumata as summarised in section 9.2.1 below, and appended to the NIA.

7.5 Environmental effects

The NZ-UAE CEPA will not inhibit the New Zealand Government's ability to regulate for environmental protection. The FTA contains general exceptions that are consistent with those provided for in existing international agreements (GATT and GATS), which are designed to provide policy space for Governments to regulate for legitimate public policy purposes, such as the protection of natural resources and the protection of human, animal or plant life or health. The Protocol will not restrict New Zealand from applying existing or future environmental laws, policies and regulations, provided they are applied to meet a legitimate objective and are not implemented in a manner which would constitute a disguised restriction on trade.

In terms of the impacts of economic activity on the environment, the NZ-UAE CEPA is not expected to have material effects. In general, trade can generate a mix of effects on a country's environment and natural resources.²⁵ Incentives from trade can lead industries with a comparative advantage in production to expand in response to global demand. It can also facilitate cross-border sharing of environmentally sustainable technologies and techniques. However, given the size of the New Zealand and UAE economies, any resulting environmental impacts are expected to be negligible.

In addition, New Zealand has a suite of relevant legislation designed to address any potential adverse environmental outcomes of economic activity in a manner consistent with the Government's sustainable development and environmental objectives. The NZ-UAE CEPA also includes provisions on sustainable development that support New Zealand's interests in trade and the environment, including ensuring that environmental measures cannot be used as trade barriers.

²⁵ MFAT Working Paper, 'Understanding the Linkages Between Trade and Productivity, Sustainability and Inclusiveness', June 2020.

8. Costs to New Zealand of Compliance with the Treaty

8.1 Tariff revenue foregone

The majority of the estimated fiscal costs from the NZ-UAE CEPA come from foregone annual tariff revenue. The elimination of all tariffs on imports from the UAE on entry into force of the Agreement will immediately remove approximately NZ\$1.7 million per year in customs duties.²⁶ The cost represents foregone tariff revenue and from an economic perspective is treated as a cost, but the overall net effect for New Zealand is likely to be positive as a result of cheaper goods for consumers and inputs for business, alongside increased innovation and competition.

The tariff revenue foregone on New Zealand's imports from the UAE will be significantly exceeded by the benefits to New Zealand of the CEPA entering into force, in terms of elimination of tariffs on New Zealand exports to the UAE (estimated to be NZ\$42.6 million per year at the UAE's MFN rate)²⁷ and the export growth the CEPA is expected to unlock and promote.

8.2 Costs of servicing the initiatives and meetings of the Agreements

The NZ-UAE CEPA establishes a Joint Committee to oversee the implementation of the Agreement. It also establishes Sub-Committees on: Trade in Goods; Rules of Origin and Customs and Trade Facilitation; and Sanitary and Phytosanitary Measures. In addition, it establishes contact points for a number of chapters, to facilitate the implementation of the Agreement and communication and cooperation on issues of interest. The NZ-UAE BIT establishes a Joint Committee on Investment oversee the implementation of that Agreement.

Such institutional structures are common practice in free trade agreements and provide New Zealand with an important mechanism to engage with our FTA partners and to ensure delivery of the intended benefits of the Agreement. They provide a means to pursue compliance with commitments, to undertake the ongoing work envisaged in the FTA, to address any emerging issues, and to manage future developments. Undertaking these activities has resourcing implications for the agencies involved.

The NZ-UAE CEPA Joint Committee is required to meet within one year of entry into force of the Agreement, and every two years thereafter, unless otherwise agreed (Article 19.2). All Committee and Sub-Committee meetings may be conducted in person or by any other means – e.g. virtually – as determined by the Parties. This flexibility will likely reduce the costs of implementing the Agreement.

²⁶ Estimated revenue foregone has been calculated based on the \$1.7 million in duties collected by New Zealand Customs Service in 2022 on goods imported from the UAE.

²⁷ NB: The UAE applies a unilateral duty exemption programme, under which the UAE's standard MFN tariff does not apply – most notably on dairy products for further processing. As a result, and as long as this unilateral exemption remains in force, the actual tariff savings would be significantly less than the \$42.6 million per year calculated using the MFN tariff (UAE imports from New Zealand, 2021-2023 average).

The NZ-UAE BIT Joint Committee is required to meet every two years on the request of either Party, unless otherwise agreed (Article 25).

8.3 Costs to government agencies of implementing and complying with the Treaty

It is anticipated that costs associated with implementation of the NZ-UAE CEPA and NZ-UAE BIT will be able to be met within agency baselines, supported by the Trade Negotiations Fund²⁸ as appropriate. Both sides have agreed that meetings of the CEPA Joint Committee and the Sub-Committees established under the Agreement would take place on the basis of mutual interest, reducing compliance costs, and provision is made for meetings to take place virtually if desired. The cooperation provisions across various CEPA chapters will be carried out based on both sides' interests, priorities and available resources.

²⁸ The Trade Negotiations Fund is an MFAT-managed inter-agency fund set up for the negotiation and implementation of free trade agreements.

9. Consultation with Māori, the Community and Interested Parties in respect of the Treaty

9.1 Overview of Consultations

New Zealand launched public consultations on a CEPA with the UAE on 29 February 2024, calling for submissions from anyone with an interest in providing feedback, including Māori, civil society and NGOs, and businesses or individuals currently trading into the UAE market or those with an interest in doing so in the future. Over a dozen submissions were received, which informed Cabinet's decision to launch negotiations in May 2024.

Negotiators also engaged with Treaty partner representative groups during the exploratory process leading up to negotiations which commenced in September 2023, and following the launch of negotiations in May 2024. Engagement with Treaty Partners, including Ngā Toki Whakarururanga, Te Taumata, Iwi Chairs and Federation of Māori Authorities Inc., consisted of ad hoc dedicated meetings, as well as briefings on the UAE CEPA during regularly scheduled engagements. Draft negotiating texts were shared with Treaty partner representatives under confidentiality agreements in May, July, September and October 2024.

Negotiators also engaged with the New Zealand Council of Trade Unions and shared draft negotiating texts under confidentiality agreement in July and November 2024.

The fast pace of the negotiations, reflecting UAE practice (with over 20 agreements concluded in the three years since launching its CEPA programme), meant that the timeframes for engagement and consultation were necessarily compressed, but feedback received informed New Zealand's negotiating positions.

Negotiators also engaged with key industry groups including Business New Zealand / Export New Zealand, the Dairy Companies Association of New Zealand, the Meat Industry Association, the Horticulture Export Authority, Seafood New Zealand, New Zealand Winegrowers and others, including interested companies and individuals.

9.2 Summary of views from Māori

9.2.1 Ngā Toki Whakarururanga

Ngā Toki Whakarururanga provided commentary on the NZ-UAE CEPA and the NZ-GCC FTA. This commentary – replicated below, with the exception of a section relating to the GCC FTA – expressed Ngā Toki Whakarururanga's strong concerns with the consultation process, including the pace of the negotiations:

“Ngā Toki Whakarururanga made extensive inputs from a Tiriti-compliance perspective at several stages of the UAE negotiations, even before they were formally launched in May 2024. These inputs focused on intellectual property rights (including on genetic resources), trade in services, investment, digital, sanitary and phytosanitary and technical standards, trade and sustainable development, the

Indigenous Economic Cooperation chapter, and exceptions and protections for Te Tiriti o Waitangi. Many of these inputs were initiated by requests from Ngā Toki Whakarururanga for updates.

Virtually none of this input was reflected in the final texts, reflecting the politically determined time-line and free market ideology that drove the negotiation of what has been described as “the fastest ever trade deal”. The pūkenga (technical advisers) received the final draft texts on 13 September, with a request to respond by 20 September. Having provided extensive and considered input to MFAT on 19 September, under considerable time pressure, Ngā Toki Whakarururanga was then advised that the agreement would be concluded 5 days later on 26 September 2024.

Ngā Toki Whakarururanga was especially critical of a “non-paper” on Māori and Indigenous Trade that the Crown provided to the UAE to explain Te Tiriti o Waitangi and justify various negotiating proposals. This paper totally misrepresented Te Tiriti, describing it as a treaty “signed in 1840 between Tribal Chiefs and the British Crown, establishing an ongoing and enduring relationship whereby sovereignty was assumed by the British Crown while Māori were guaranteed the undisturbed possession of their lands, forests, fisheries, estates, and other precious possessions held individually and collectively.” That paper was not discussed with Ngā Toki Whakarururanga during its development, despite the entity’s Tiriti-based mandate and expertise; doing so would have ensured its accuracy and avoided this misrepresentation. A request that the paper was corrected was apparently ignored.

Ngā Toki Whakarururanga is very clear that the entire process of these negotiations has denied its ability to have genuine or meaningful influence on the negotiations, as the Crown committed to in its Mediation Agreement with the entity following the Waitangi Tribunal Inquiry on the Trans-Pacific Partnership Agreement Wai 2522).“

Ngā Toki Whakarururanga subsequently provided its assessment of the NZ-UAE CEPA, which is appended to this NIA as Annex 1.

9.2.1 Te Taumata

Te Taumata similarly provided commentary on the NZ-UAE CEPA and NZ-GCC FTA, which is appended to this NIA as Annex 2. Te Taumata’s feedback highlighted:

- the two agreements mark an important milestone in Aotearoa - New Zealand’s trade portfolio and present valuable opportunities for Māori economic development. Te Taumata Māori Trade Advisory Board fully supports these agreements and looks forward to their implementation. These agreements are well-positioned to enhance Māori participation in global trade and contribute to sustainable economic growth for Māori.
- inclusion of an Indigenous Trade and Economic Cooperation chapter was a landmark achievement, providing a strong platform for pakihi Māori (Māori businesses & exporters) to engage in international trade through specific B2B opportunities and structured initiatives such as market development activities, trade fairs, and missions.

- the significant opportunities for Māori exporters through the virtual total elimination of tariffs on key products like dairy, meat, seafood, and horticulture - key components of the Māori economy with significant Māori ownership in these primary sector businesses and assets. These changes improve market competitiveness for pakihi Māori and provide a pathway for economic diversification.
- the welcome emphasis on sustainability, gender, labour rights, and indigenous cooperation within these agreements as reflecting Aotearoa - New Zealand's commitment to Māori values of kaitiakitanga (environmental stewardship), manaakitanga (equitable growth) and tikanga (including fostering cultural collaboration).
- that the Agreements would strengthen relationships and open doors for strategic investment opportunities. Pakihi Māori and hāpori Māori stand to benefit from potential infrastructure investments and partnerships that support our growing whānau, hapū, and iwi aspirations.
- the need for implementation to ensure tangible outcomes, establish long-term relationships, and uphold Aotearoa - New Zealand's values.

9.3 Summary of views from Interested Parties

Officials also engaged with other key stakeholders, including the New Zealand Council of Trade Unions (NZCTU) and Business New Zealand.

NZCTU expressed discomfort with the speed at which the Agreement is moving towards ratification, expressing a preference for a longer timeframe for analysis of the text and its implications, and for fulsome engagement with Māori, social partners, and other civil society organisations. NZCTU also expressed its view that the analysis of the Trade and Sustainable Development Chapter, provided in section 4.13, was "too optimistic," arguing that the chapter is "largely non-binding and wholly non-enforceable".

NZCTU also advocated for a more, in-depth analysis of the "path dependency of new trade agreements" – that New Zealand remained "heavily reliant on low-value-add export goods, and agreements such as this one can potentially serve to reinforce that model of economic development". NZCTU invited the government to provide an "analysis of the extent to which this Agreement is expected to assist the government's strategy of doubling exports", stating that trade deals "can be expected to help at the margins, but are probably less important than domestic policy levers (particularly industrial development, workforce development, and infrastructure)".

Business New Zealand recorded its support for the NZ-UAE CEPA and the NZ-GCC FTA, noting that "there is a clear net positive for Aotearoa New Zealand".

9.4 Inter-departmental consultation

The negotiating team was led by MFAT and involved experts across government, including from the Ministry for Primary Industries; Ministry of Business, Innovation, and Employment; and New Zealand Customs Service. Other agencies, including The Treasury and the Department of the Prime Minister and Cabinet, were consulted on relevant policy issues.

10. Withdrawal or Denunciation Provision in the Treaty

As per Article 22.4 of the NZ-UAE CEPA, either Party may terminate the Agreement by giving six months' advance notice in writing, unless Parties agree otherwise.

As per Article 27 of the NZ-UAE BIT, either Party may terminate the Agreement after ten years, by giving one year's advance notice in writing. In respect of investments made prior to the date of termination, the provisions of the NZ-UAE BIT shall continue to be effective for a period of ten years from the date of termination.

11. Agency Disclosure Statement

This National Interest Analysis has been prepared by the Ministry of Foreign Affairs and Trade, in consultation with other relevant government agencies. It identifies all the substantive legal obligations in the NZ-UAE CEPA, some of which will require legislative implementation, and analyses the advantages and disadvantages to New Zealand in becoming a Party to the NZ-UAE CEPA.

Implementation of the obligations arising under the NZ-UAE CEPA would not be expected to impose significant additional costs on businesses; impair private property rights, market competition, or the incentives on businesses to innovate and invest; or override fundamental common law principles.

Annex 1: Ngā Toki Whakarururanga comment on NZ-UAE CEPA



Ngā Toki Whakarururanga was established through a Mediation Agreement with the Crown in the Waitangi Tribunal (Wai 2522) claim on the Trans-Pacific Partnership Agreement, with a mandate to promote and protect Māori responsibilities, duties, rights and interests, and hold the Crown to account, under Te Tiriti o Waitangi. The agreement promised genuine and meaningful influence on trade negotiations, such as the free trade agreements with the United Arab Emirates (UAE) and the Gulf Cooperation Council (GCC).

Ngā Toki Whakarururanga made extensive inputs at several stages of the UAE negotiations. These inputs focused on intellectual property rights (including on genetic resources), trade in services, investment, digital, sanitary and phytosanitary and technical standards, trade and sustainable development, and the Indigenous Peoples Economic and Trade Cooperation chapter. Virtually none of this input influenced the final texts, as a politically determined timeframe drove the negotiation of “the fastest ever trade deal”.

The final UAE FTA texts were provided to Ngā Toki Whakarururanga on 13 September, with a request for responses by 20 September. After providing extensive and considered input to MFAT on 19 September, Ngā Toki Whakarururanga was advised that the agreement would be concluded 5 days later on 26 September 2024. There was even less opportunity for influence on the GCC negotiations because the core texts were negotiated almost two decades ago and additional texts were rushed through in parallel to the UAE.

Misrepresentation of Te Tiriti o Waitangi to UAE

Ngā Toki Whakarururanga was especially critical of a “non-paper” on Māori and Indigenous Trade that the Crown provided to the UAE to explain Te Tiriti o Waitangi and justify various negotiating proposals. This paper seriously misrepresented Te Tiriti o Waitangi, describing it as a treaty:

“signed in 1840 between Tribal Chiefs and the British Crown, establishing an ongoing and enduring relationship whereby sovereignty was assumed by the British Crown while Māori were guaranteed the undisturbed possession of their lands, forests, fisheries, estates, and other precious possessions held individually and collectively.”

It failed to recognise that Māori never ceded sovereignty to the Crown, as confirmed by the Waitangi Tribunal’s report on Te Tiriti (Wai 1040), and that Te Tiriti guaranteed the continued exercise of rangatiratanga or sovereign authority over whenua, kainga and all taonga, delegating limited powers to the Crown over its own.

That paper was never discussed with Ngā Toki Whakarururanga, despite its explicit Tiriti-based mandate and considerable expertise. Ironically, the paper says the Treaty principles “include opportunities for Māori to partner and participate in decisions that affect them, as

well as an obligation on the government to actively protect Māori interests". There was no such opportunity on this paper and no partnership or participation in decisions on these negotiations. To restore the integrity of te Tiriti and the Tiriti relationship, Ngā Toki Whakarururanga asked for the paper to be corrected with the UAE. That appears not to have happened.

Māori Trade and Economic Cooperation Chapter

Ngā Toki Whakarururanga engaged most intensively with this chapter. Despite that, and following the pattern of recent agreements, the chapter lacks any substantive commitments, is unenforceable and has no impact on the rest of the agreement. We acknowledge the work of officials to achieve even that outcome in this context.

Input included proposals for a Tiriti-based approach that aimed to balance economic opportunities for Māori and Indigenous Peoples with effective protections for their responsibilities, rights and interests across the Agreement, and the parties' agreement to implement this chapter in a manner consistent with Te Tiriti and the United Nations Declaration on the Rights of Indigenous peoples (UNDRIP). Both are relegated to "objectives and principles" in a chapter that is unenforceable.

A list of potential areas for cooperation between the UAE and Aotearoa New Zealand looks promising, but each specific activity must be mutually agreed by the states and is subject to resource availability.

The chapter also lists other chapters of the agreement that are said to benefit Māori. Despite repeated requests, those provisions have never been identified. It is impossible from the information currently available to assess what genuinely new commercial benefits Māori exporters may achieve from the market access provisions. Conversely, there is no recognition that numerous provisions in the agreement may be detrimental to Māori and the Crown's responsibilities under Te Tiriti.

The Treaty of Waitangi Exception

Despite Ngā Toki Whakarururanga's continuing objections, both FTAs contain the Crown's flawed Treaty of Waitangi Exception that was drafted over 20 years ago. The Exception does not neutralise many of the current FTAs' rules that are problematic for Māori. That is because it only applies to measures adopted by the Crown that give "more favourable treatment" to Māori, and is subject to additional conditions. As noted below, it would also not protect measures that are designed to benefit Māori and other communities, such as social procurement programmes. In the Mediation Agreement, the Crown promised a dialogue to identify options for a different exception. That work has just begun. Meanwhile, the Crown continues to roll over the 2001 Exception.

Intellectual Property Rights

Ngā Toki Whakarururanga provided extensive comments on the intellectual property (IP) chapter of the UAE FTA. The chapter reinforces the western intellectual property model that Māori have challenged in the Wai 262 inquiry and elsewhere, and has no protections

for the exercise of rangatiratanga, mātauranga Māori or kaitiaki responsibilities over taonga. Officials rejected the detailed critique of the chapter.

For example, the provision on geographical indications provides no recognition of Māori terms, such as mānuka. Instead, the sharing of information on promoting and protecting “manuka honey” is listed as one possible area of cooperation in the unenforceable Indigenous Peoples Economic and Trade Cooperation Chapter.

The IP chapter’s provision on Genetic Resources, Traditional Knowledge and Traditional Cultural Expressions is equally weak: the UAE and Aotearoa New Zealand “may” establish “appropriate measures” for their protection, but only where their domestic laws, other international obligations allow, and preferences. They should also “endeavour” to create a data base or digital library for such information, a move that carries real dangers for Indigenous Peoples unless they exercise control over that information.

A provision on the Convention on Biological Diversity is relegated to the unenforceable Trade and Sustainable Development chapter. While it recognises that knowledge, innovations and practices of Indigenous Peoples contributes to the conservation and sustainable use of biological diversity, there is nothing that gives effect to that recognition, and it can be overridden by intellectual property rights in the enforceable intellectual property chapter.

Trade and Sustainable Development

There was limited opportunity for input into this chapter, which is largely rhetorical and again is unenforceable. As with other chapters that contain references to the importance of Indigenous Peoples, it does nothing to operationalise them.

An article headed “Context” recognises “the importance of ensuring the rights and economic interests of Indigenous Peoples, including Māori in the case of New Zealand, are appropriately integrated in, and are reinforced and not undermined by, international trade and investment policy and activity, including ensuring Indigenous perspectives, voices and effective participation are appropriately embedded in trade and investment activities.” But nothing in this or any other chapter gives effect to that context.

The provision on climate change recognises the unique connection of Indigenous Peoples to the environment, the right to protect and develop their systems of knowledge, practices and values, and the valuable contribution indigenous knowledge can make towards sustainable trade and investments, including solutions to climate change. Yet, the article promotes the kind of financial and technological solutions that Ngā Toki Whakarururanga has cited in the Waitangi Tribunal’s climate change inquiry as antithetical to Māori values, knowledge and practices, and designed to avoid changing corporate, and national, practices that significantly contribute to the climate crisis.

The impact of Services and Investment rules

A number of long-standing concerns were raised over rules and protections in the trade in services chapter, and which remain not addressed. The UAE FTA has a very short, unenforceable investment chapter with a loose obligation to “endeavour to facilitate”

meetings of both parties' investment authorities to exchange knowledge and approaches, including to "partnering and engaging with Māori".

Unusually, there is a separate agreement for the protection and promotion of investments instead of an investment chapter within the FTA. As a stand-alone agreement, it can be terminated after 10 years, but existing investors would continue to have the benefits for a further 10 years. Ngā Toki Whakarururanga expressed disappointment that this shift was never discussed, given the precedent it may create.

The Crown has taken some important steps to limit the potential negative impacts on domestic policy and on meeting its Tiriti obligations. In particular, it has maintained the policy of the previous government not to include the controversial right of UAE investors to enforce their special protections directly against the government through offshore arbitration. It has also sought to limit the broad scope of those protections by defining them quite closely and it excludes local government from the rules. Decisions of the Overseas Investment Office on consent for overseas investment transactions are also protected from a dispute.

These steps are welcome changes on matters raised in the Waitangi Tribunal (Wai 2522) claim. However, the UAE itself can still challenge alleged breaches of the special investor protections through international arbitration. This poses a number of significant risks for Māori, especially where policies, decisions, or actions to address Māori concerns and improve compliance with Te Tiriti impact adversely on the UAE investor or its investment. These concerns were raised in various ways with the Crown. While there has been significant progress towards Tiriti-compliance in relation to investment rules, a number of serious concerns remain.

The agreement uses a definition of investment that includes contracts, licenses and authorisations, as well as intellectual property rights. That is especially concerning given the Coalition Government's intention to fast track investments based on criteria that do not include Tiriti compliance or environmental impacts. Licences for exploration and extraction of natural resources have been excluded, but authorisations to UAE investors for wind farms and forestry operations, or granting of intellectual property rights over native species, would still be among the investments it protects.

The investment agreement includes a controversial rule on "fair and equitable treatment" that would allow a UAE investor to challenge government actions or decisions as "targeted discrimination on manifestly wrongful grounds, such as gender, race". An investor might well argue the same kind of misrepresentations of Tiriti protections as "race-based" that the ACT Party has been promoting. There is no guarantee that the Treaty of Waitangi Exception would counter this, given the various conditions that limit its application. If the UAE brought such an investment dispute it would be decided by an offshore arbitral tribunal whose judges have no knowledge or expertise to assess that question. There is no provision, let alone any requirement, for Māori involvement in such a dispute process.

A investment rule of concern, raised in other agreements as well, says investors cannot be required to meet certain performance requirements, such as investors in forestry having to process a proportion of logs locally rather than just exporting them all whole. That would benefit Māori workers and communities in provinces that face mounting unemployment;

but it would also clearly advantage other, including local competitors of the investor, which makes the 2001 Treaty of Waitangi Exception problematic.

There is a schedule in the investment agreement that also excludes a specific list of Crown actions from some of the rules, including those performance requirements. The Crown has tried to include in that list some references to rights, interests, duties and responsibilities of Māori related to Te Tiriti o Waitangi/ The Treaty of Waitangi. But it is unclear what the legal impact is.

One example of a protection from some of the rules relates to the collection, purification and distribution of water, including water for human use. However, this explicitly does not cover the wholesale and retail distribution of bottled water by a UAE investor. Māori have previously raised concerns about agricultural licences for water extraction being diverted to water bottling enterprises. That has been corrected in some other recent FTAs, but not here.

Beyond these specific concerns, the annex of exclusions does not apply to the most problematic protections for UAE investors on direct and indirect expropriation and “fair and equitable treatment”.

Digital trade

The Crown continues to recognise its Tiriti obligations in digital trade chapters following the Waitangi Tribunal Wai 2522 finding that the TPPA chapter breached its Tiriti obligations. In this agreement it has successfully carved out measures to meet those obligations, in similar terms to the FTA with the European Union. The Crown has not addressed concerns about a less fail-safe protection for Māori data sovereignty and digital governance in the schedule to the trade in services chapter.

The digital trade chapter is enforceable, so a commitment to cooperate on digital inclusion has the potential to provide some positive benefits to Māori business, especially Māori digital innovators, if they can help set the agenda and it is fully resourced. Neither is guaranteed.

The cooperation provision “recognises the importance of expanding and facilitating digital economy opportunities by removing barriers. This may include enhancing cultural and people-to-people links, including between Indigenous Peoples”, who are mentioned along with a list of other currently excluded groups.

However, the topics for cooperation activities are discretionary, require agreement between the UAE government and the Crown, and there is no commitment of resources. Moreover, the provision for coordination of cooperation activities refers to trade unions, NGOs, academics and businesses, but not to Indigenous Peoples. This lack of substance and active participation in decisions was raised, but was not addressed.

Government procurement

Ngā Toki Whakarururanga has flagged government procurement as a Tiriti-related issue that needs more attention. That includes social procurement programmes where preferences for Māori are mixed with other communities, such as Pasifika, to achieve social, employment and poverty- reduction objectives. This is especially important for requirements to use offsets in a procurement contract that benefit local producers, and for conditions in contracts that require cultural knowledge and competency.

Such initiatives would not be protected by the Crown's Treaty of Waitangi Exception, as that applies to "more favourable treatment" for Māori, not for a mix of beneficiaries. Ngā Toki Whakarururanga indicated the intention to look at this more closely in 2025, but made several suggestions in the interim that were not adopted in the UAE FTA.

Food and products standards, including rongoā

Two chapters that govern standards for food exports and imports and the labelling of products are not sensitive to hua parakore, rongoā and other products and processes sourced in mātauranga and tikanga Māori. Te Waka Kai Ora and others have raised concerns over many years that the western meaning attributed to "science-based" standards is used to exclude production, approval and promotion of safe foods, organics and rongoā that are source in mātauranga and regulated by mana whenua.

These problems date back to international trade rules on sanitary and phytosanitary measures and technical barriers to trade in the World Trade Organization. The Treaty of Waitangi Exception does not help as effective recognition and protection for Māori food and plant production, and practices and products such as rongoā, do not fit the criteria for "more favourable treatment". The Crown did not take up the offer to jointly develop language to allow for effective recognition of mātauranga and mana whenua authority in the UAE context.

Dispute settlement

There is no requirement for any dispute to recognise Indigenous knowledge or processes, or for suitably qualified adjudicators to participate in a dispute under the FTAs, even where the Treaty Exception is involved.

Similarly, the investment agreement with the UAE may involve issues of critical importance to Māori, including specific provisions that refer to Māori responsibilities, rights and interests. Even though there is no investor-state dispute, that is still a serious issue for Māori if there is a state-state dispute. While dispute settlement is a broader matter for discussion with the Crown, interim proposals to include some such provision about qualification of arbitrators were not adopted.

Conclusion

Throughout its input on these negotiations, Ngā Toki Whakarururanga has emphasised the right of Māori under Te Tiriti o Waitangi and the United Nations Declaration on the Rights

of Indigenous Peoples (UNDRIP) to self-determination and to participate in decision-making on matters that affect them through representatives chosen by themselves in accordance with their own procedures. That never occurred.

Ngā Toki Whakarururanga recognises that officials were themselves under intense pressure in these negotiations, but it is undeniable that the process and substance of these negotiations have once again subordinated Te Tiriti o Waitangi to other priorities determined unilaterally by the Crown.

Annex 2: Te Taumata comment on NZ-UAE CEPA



Te Taumata - Māori Trade Advisory Board congratulates MFAT on the successful conclusion of negotiations for the UAE Comprehensive Economic Partnership Agreement (CEPA) and the Gulf Cooperation Council (GCC) Free Trade Agreement (FTA). These agreements mark an important milestone in Aotearoa - New Zealand's trade portfolio and present valuable opportunities for Māori economic development.

Key Areas of Support

1. Indigenous (Māori) Trade and Economic Cooperation Chapter

The inclusion of an Indigenous (Māori) Trade and Economic Cooperation chapter in the NZ-UAE CEPA is a landmark achievement, and Te Taumata commends MFAT negotiators and the Government for pushing for it in these agreements. It provides a strong platform for pakihi Māori (Māori businesses & exporters) to engage in international trade through specific B2B opportunities and structured initiatives such as market development activities, trade fairs, and missions. These chapters ensure that kaupapa Māori, including Māori values and interests, are further meaningfully integrated into Aotearoa – New Zealand's trade relationships in this important region of the world and markets.

2. Enhanced Export Diversification

The agreements create significant opportunities for our Māori exporters by virtually total elimination of tariffs on key products like dairy, meat, seafood, and horticulture, which are significant parts of the Māori economy with our significant ownership in these primary sector businesses and assets. These changes improve market competitiveness for pakihi Māori and provide a pathway for our economic diversification - an important strategy for reducing reliance on traditional markets, like the United States of America, given recent events and threats of new tariff regimes.

3. Regional Benefits Beyond the UAE

The GCC agreement offers expanded opportunities across its member states, covering markets worth \$2.33 billion in annual exports for Aotearoa - New Zealand. By encompassing this entire bloc, this agreement amplifies the economic benefits for Māori

businesses, particularly in high-demand sectors such as agri-food, food security, agri-tech and horticulture.

4. Alignment with Māori Values

It is pleasing to see the emphasis on sustainability, gender, labour rights, and indigenous cooperation within these agreements reflecting Aotearoa - New Zealand's commitment to Māori values of kaitiakitanga (environmental stewardship), manaakitanga (equitable growth) and tikanga (including fostering cultural collaboration with GCC nations).

5. Investment and Diplomatic Gains

These two agreements strengthen our relationships with the UAE and broader group of GCC nations, and open doors for strategic investment opportunities. Pakihi Māori and hapori Māori stand to benefit from potential infrastructure investments and partnerships that support our growing whanau, hapu, and iwi aspirations.

Te Ao Maori Key Considerations

- **Implementation Focus:** The provisions in the Māori Economic Trade and Cooperation chapters must lead to tangible outcomes, such as greater market access, increased participation in trade missions, targeted capacity-building, and practical support for Māori businesses entering the UAE and GCC markets.
- **Long-term Perspective:** Intergenerational thinking requires Māori exporters to ensure that while the agreements eliminate tariffs, their true value must lie in long-term relationships between peoples (tangata to tangata), as well as market diversification for the Māori economy and building strong, enduring trade partnerships.
- **Maintaining Aotearoa's Values:** It is essential that these agreements uphold Aotearoa - New Zealand's strong stance on human rights, gender and inclusivity, indigenous rights and interests, and environmental sustainability, ensuring that trade agreements align with Māori and national values. Te Taumata is pleased to see significant movement and development in these critical areas of values alignment between our peoples and nations.

Conclusion

With negotiations successfully concluded (to this stage), the UAE CEPA and GCC FTA represent a pivotal step forward for Aotearoa - New Zealand's trade and market diversification strategy. Te Taumata Māori Trade Advisory Board fully supports these agreements and looks forward to their implementation. These agreements are well-positioned to enhance Māori participation in global trade and contribute to sustainable economic growth for our people.

