

# Departmental Disclosure Statement

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United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill
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The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill;
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by The Ministry of Foreign Affairs and Trade.

The Ministry of Foreign Affairs and Trade certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

17 March 2025

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## Part One: General Policy Statement

The United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill (the Bill) is an omnibus Bill introduced in accordance with Standing Order 267(1)(a). The amendments deal with an interrelated topic that can be regarded as implementing a single broad policy.

The Bill amends New Zealand law as part of the implementation of the New Zealand–United Arab Emirates Comprehensive Economic Partnership Agreement, signed in Abu Dhabi on 14 January 2025 (the UAE CEPA).

Most of the obligations in the UAE CEPA will be met by New Zealand's existing domestic legal and policy regime. However, legislative and regulatory amendments will be required to align New Zealand's domestic law with certain obligations in the UAE CEPA and thereby enable New Zealand to ratify the UAE CEPA. The Bill introduces amendments to the following:

- the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005, to increase from \$100 million to \$200 million the monetary threshold above which consent is required for investments by United Arab Emirates (UAE) non-government investors in significant business assets for the purpose of providing specified types of service in New Zealand:
- the Customs and Excise Act 2018, to allow the chief executive of the New Zealand Customs Service to designate an authorised certification body to certify that goods originate in New Zealand for the purposes of the UAE CEPA:
- the New Zealand Tariff (the Tariff), to enable the application of the preferential tariff rates agreed in the UAE CEPA and to implement obligations relating to the tariff treatment of goods returned after repair or alteration:
- the Customs and Excise Regulations 1996, to implement the agreed rules of origin and product-specific rules of origin for goods imported from the UAE.

A copy of the UAE CEPA can be found at:

<https://www.mfat.govt.nz/assets/Tradeagreements/UAE-CEPA/Full-Text-of-the-Agreement.pdf>.

## Part Two: Background Material and Policy Information

### Published reviews or evaluations

<b>2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?</b>	<b>YES</b>
<p>The UAE CEPA National Interest Analysis (NIA) was prepared by the Ministry of Foreign Affairs and Trade and published on 14 January 2025. The NIA is available from <a href="https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf">https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf</a>.</p> <p>The Foreign Affairs, Defence and Trade Select Committee (FADTC) examined the UAE CEPA and NIA in February and March 2025. FADTC's report on the CEPA was published on 7 March 2025. FADTC's final report is available from <a href="https://selectcommittees.parliament.nz/v/15/3e5d3ba9-775e-4e9e-59d9-08dd3fe8e6d3">https://selectcommittees.parliament.nz/v/15/3e5d3ba9-775e-4e9e-59d9-08dd3fe8e6d3</a>.</p>	

### Relevant international treaties

<b>2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?</b>	<b>YES</b>
<p>The Bill seeks to give effect to the <i>New Zealand – United Arab Emirates Comprehensive Economic Partnership Agreement</i> (the CEPA), done on 14 January 2025 at Abu Dhabi, United Arab Emirates. The CEPA text can be found at <a href="https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/new-zealand-united-arab-emirates-free-trade-agreement/text-of-the-agreement">https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/new-zealand-united-arab-emirates-free-trade-agreement/text-of-the-agreement</a>.</p>	

<b>2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?</b>	<b>YES</b>
<p>The UAE CEPA National Interest Analysis was prepared by the Ministry of Foreign Affairs and Trade and published on 14 January 2025. On 28 January 2025 the NIA was presented to the House of Representatives as part of the Parliamentary Treaty Examination process. The NIA is available from <a href="https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf">https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf</a>.</p>	

### Regulatory impact analysis

<b>2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?</b>	<b>YES</b>
<p>The NIA prepared by the Ministry of Foreign Affairs and Trade, in consultation with other relevant government agencies, is an extended NIA that incorporates the regulatory impact statement requirements, enabling the NIA to take the place of a regulatory impact statement. The NIA was published on 14 January 2025 and can be found at <a href="https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf">https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf</a>.</p>	
<b>2.3.1. If so, did the RIA Team in the Treasury provide an independent opinion on the quality of any of these regulatory impact statements?</b>	<b>NO</b>

<b>2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?</b>	<b>NO</b>

### Extent of impact analysis available

<b>2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?</b>	<b>YES</b>
The Foreign Affairs, Defence and Trade Select Committee (FADTC) examined the UAE CEPA and NIA in February and March 2025. FADTC's report on the FTA was published on 7 March 2025. FADTC's final report is available from <a href="https://selectcommittees.parliament.nz/v/15/3e5d3ba9-775e-4e9e-59d9-08dd3fe8e6d3">https://selectcommittees.parliament.nz/v/15/3e5d3ba9-775e-4e9e-59d9-08dd3fe8e6d3</a> .	

<b>2.5. For the policy to be given effect by this Bill, is there analysis available on:</b>	
<b>(a) the size of the potential costs and benefits?</b>	<b>YES</b>
<b>(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?</b>	<b>YES</b>
<p>2.5(a):</p> <p>A cost-benefit analysis of the Agreement is included in Sections 3, 4, 7 and 8 of the NIA, which is available from <a href="https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf">https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf</a>.</p> <p>2.5(b):</p> <p>The NIA assesses the impact for New Zealand of meeting the Agreement's obligations (including as met through implementing legislation). No group of persons is identified as potentially suffering a substantial or unavoidable loss of income or wealth as a result of the UAE CEPA. The UAE CEPA is estimated to result in a net economic benefit for the New Zealand economy.</p> <p>The NIA notes that, due to the nature of New Zealand's narrow export portfolio with the UAE, it is likely that some industries are likely to receive greater benefits than others. That will likely result in some regions and some groups of New Zealanders receiving greater benefits than others. Any variation in the benefits provided by the CEPA do not relate to the contents of this Bill.</p>	

<b>2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:</b>	
<b>(a) the level of effective compliance or non-compliance with applicable obligations or standards?</b>	<b>NO</b>
<b>(b) the nature and level of regulator effort put into encouraging or securing compliance?</b>	<b>NO</b>
This question is not applicable to the implementation of the FTA.	

## Part Three: Testing of Legislative Content

### Consistency with New Zealand's international obligations

<b>3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?</b>
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The amendments to New Zealand law, as set out in the Bill, are necessary for New Zealand to ratify the UAE CEPA. MFAT has worked with relevant domestic agencies to identify required amendments and prepare the Bill, and considers that the policies that will be given effect to by the Bill are consistent with New Zealand's international obligations.

### Consistency with the government's Treaty of Waitangi obligations

<b>3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?</b>
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The UAE CEPA preserves the unique status of the Treaty of Waitangi. The UAE recognised the importance of this to New Zealand and agreed to the inclusion of the Treaty of Waitangi exception to protect the capacity of the Crown to implement domestic policies that fulfil its obligations to Māori, including under the Treaty of Waitangi, without being obliged to offer equivalent treatment to the UAE. This provision is consistent with all of New Zealand's FTAs since 2001.

In addition, and although the Treaty of Waitangi exception applies across the FTA as a whole, in response to the Waitangi Tribunal Wai 2522 decision, New Zealand ensured the Digital Trade chapter explicitly provided additional safeguards, such that the disciplines contained in the chapter will not apply to measures taken by New Zealand to protect or promote Māori rights, interests, duties, or responsibilities.

The NIA prepared by MFAT also includes analysis on effects of the FTA on Māori in sections 7.4 and 9 which is available from: <https://www.mfat.govt.nz/assets/Trade-agreements/UAE-CEPA/National-Interest-Analysis-for-NZ-UAE-CEPA-and-BIT.pdf>.

### Consistency with the New Zealand Bill of Rights Act 1990

<b>3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?</b>	<b>YES</b>
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The Ministry of Justice is considering whether the Bill is consistent with the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990 and will provide advice on this to the Attorney-General.

### Offences, penalties and court jurisdictions

<b>3.4. Does this Bill create, amend, or remove:</b>	
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<b>(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?</b>	<b>NO</b>
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<b>(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?</b>	<b>NO</b>
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<b>3.4.1. Was the Ministry of Justice consulted about these provisions?</b>	<b>NO</b>
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## Privacy issues

<b>3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?</b>	<b>NO</b>

<b>3.5.1. Was the Privacy Commissioner consulted about these provisions?</b>	<b>NO</b>

## External consultation

<b>3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?</b>	<b>YES</b>
<p>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.</p> <p>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. This engagement, with 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.</p> <p>Negotiators also engaged with the New Zealand Council of Trade Unions and shared draft negotiating texts under confidentiality agreement in July and November 2024.</p> <p>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.</p> <p>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.</p>	

## Other testing of proposals

<b>3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?</b>	<b>YES</b>
<p>While no specific testing has been completed, the negotiation of the obligations in UAE CEPA was conducted by an inter-agency team led by MFAT. MFAT worked with relevant domestic agencies to assess the policy details to be given effect by this Bill and to ensure the Bill's provisions are workable and complete.</p> <p>The Bill is based on previous models successfully used to implement other New Zealand free trade agreements and investment treaties.</p>	

## Part Four: Significant Legislative Features

### Compulsory acquisition of private property

<b>4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?</b>	<b>NO</b>

### Charges in the nature of a tax

<b>4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?</b>	<b>YES</b>
The Bill enables the application of preferential tariff rates under the Agreement to goods traded between the Parties. Clauses 15 to 19 of the Bill allow for amendments to the New Zealand Tariff.	

### Retrospective effect

<b>4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?</b>	<b>NO</b>

### Strict liability or reversal of the usual burden of proof for offences

<b>4.4. Does this Bill:</b>	
<b>(a) create or amend a strict or absolute liability offence?</b>	<b>NO</b>
<b>(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?</b>	<b>NO</b>

### Civil or criminal immunity

<b>4.5. Does this Bill create or amend a civil or criminal immunity for any person?</b>	<b>NO</b>

### Significant decision-making powers

<b>4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?</b>	<b>YES</b>
Yes, in relation to certain foreign investors for types of investments. The Bill amends the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005, to increase from \$100 million to \$200 million the monetary threshold above which consent is required for investments by United Arab Emirates (UAE) non-government investors in significant business assets for the purpose of providing specified types of service in New Zealand.	



### Powers to make delegated legislation

<b>4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?</b>	<b>NO</b>

<b>4.8. Does this Bill create or amend any other powers to make delegated legislation?</b>	<b>YES</b>
Clause 2 of the Bill allows for the Governor-General, by Order in Council, to set a date for commencement of the Bill, once a date for entry into force of the UAE CEPA becomes known, as this date depends on both the UAE and New Zealand completing our respective domestic processes for ratification.	

### Any other unusual provisions or features

<b>4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?</b>	<b>NO</b>