

**Legislative Statement – Regional Comprehensive Economic Partnership (RCEP) Legislation Bill:
Second Reading**

The Regional Comprehensive Economic Partnership Legislation Bill (the Bill) is an omnibus Bill that amends the Tariff Act 1988, the Tariff, and the Customs and Excise Act 2018.

The Bill is introduced under Standing Order 267(1)(a) because the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy. That single broad policy is to amend New Zealand law as part of the implementation of the RCEP.

The RCEP is a free trade agreement negotiated between New Zealand, Australia, China, Japan, South Korea, and the 10 members of the Association of Southeast Asian Nations (ASEAN), ie, Brunei-Darussalam, Cambodia, Indonesia, Laos PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. The RCEP was signed at Hanoi, Vietnam, on 15 November 2020.

The Bill will enable the application of preferential tariff rates under the RCEP and make an amendment to provide for 8 years of transitional safeguard mechanisms in order to provide temporary relief to domestic industry.

The Bill will also make minor technical changes to the Customs and Excise Act 2018 that allows authorised third-party certification bodies to operate for the purposes of the RCEP.

Amendments to the Tariff Act 1988

Through amendments to the Tariff Act 1988, the Bill will:

- enable the insertion of definitions of “RCEP” and “specified RCEP party”;
- allow the Governor-General, by Order in Council, to declare a country that is a party to the RCEP, a specified RCEP party for the purposes of the Tariff Act 1988;
- provide that no modification relating to a specified RCEP party may impose a higher duty on any goods than that set out in respect of those goods in the Normal Tariff, unless the Governor-General is satisfied that the modification is necessary or advisable in the public interest and consistent with New Zealand’s international obligations; and
- enable transitional safeguard measures to be applied in appropriate circumstances on imports originating from the RCEP parties.

Amendments to Tariff

Consistent with the Tariff Act 1988, the Bill amends the Tariff to enable the application of preferential tariff rates under the RCEP.

Amendments to Customs and Excise Act 2018

The amendments will enable the issuing of New Zealand certificates of origin in respect of goods for export to the RCEP parties. The amendments will further enable the Governor-General to declare, by Order in Council, countries that are parties to the RCEP to be specified RCEP parties for the purposes of the 2018 Act.

Subsequent secondary legislation

The RCEP will also be implemented by subsequent secondary legislation, including instruments that will:

Presented to the House of Representatives in accordance with Standing Order 272 J.17

- amend the Tariff to apply preferential tariff rates for imports originating from the RCEP parties;
- amend the Customs and Excise Regulations 1996 to give effect to the rules of origin applicable to imports into New Zealand that originate from the RCEP parties;
- set the commencement date of the RCEP Legislation Bill;
- specify the parties to RCEP for the purposes of the Customs and Excise Act 2018; and
- specify the parties to RCEP for the purposes of the Tariff Act 1988.

Changes made at Select Committee

As part of the Select Committee's consideration of the bill, they examined its consistency with principles of legislative quality and found no issue regarding the legislation's design to bring to the attention of the House. The Foreign Affairs, Defence and Trade Committee recommended that the Bill proceed without amendment.