

Legislative Statement for the first reading of the United Kingdom Free Trade Agreement Legislation Bill

This is an omnibus Bill introduced under Standing Order 267(1)(a) (dealing with an interrelated topic that can be regarded as implementing a single broad policy). The single broad policy is to amend New Zealand law as part of implementing the Free Trade Agreement between New Zealand and the United Kingdom of Great Britain and Northern Ireland (the FTA), signed at London on 28 February 2022 (1 March New Zealand time).

Most of the obligations in the FTA are already met by New Zealand's existing domestic legal and policy regime. A limited number of legislative and regulatory amendments are required to align New Zealand's domestic law with certain obligations in the FTA.

This Bill is necessary to bring the FTA into force and will enable New Zealand to implement its obligations under the FTA. The Bill amends the Copyright Act 1994, the Dairy Industry Restructuring Act 2001, the Overseas Investment Act 2005, the Overseas Investment Regulations 2005, the Tariff Act 1988, the Tariff, and the Customs and Excise Regulations 1996. Part 5 of the Bill also creates a new regime required to administer a transitional apple export quota. The intention is that Part 5 will be separated out as a separate Bill at the Committee of the Whole House stage.

This Bill will enable—

- the application of preferential tariff rates under the FTA; and
- provisional transitional safeguard measures to be applied if necessary under the FTA; and
- the implementation of transitional quotas on dairy products exported to the United Kingdom (the UK) that originate from New Zealand; and
- the division of New Zealand's country-specific World Trade Organization dairy quotas between the UK and the European Union that is required post-Brexit; and
- the extension of the scope of a performer's property rights in sound recordings of their performances under the Copyright Act 1994 to include the playing of those sound recordings in public; and
- the increase in the investment screening threshold from NZ\$100 million to \$200 million for non-government investors from the UK; and
- the implementation of New Zealand's commitments to administer a 3-year transitional quota for apple exports.

The FTA will also be implemented by—

- giving effect to the rules of origin applicable to imports into New Zealand that originate from the UK (in the amendments to the Customs and Excise Regulations 1996); and

- conferring on investors from the UK the preferential monetary threshold for screening significant business assets (in the amendments to the Overseas Investment Regulations 2005).