

Proactive Release

Published on or before: 22 May 2025

The following Cabinet papers and related Cabinet minutes have been proactively released by the Minister for Trade and Investment

Title	Reference
<i>Cabinet Minute of Decision – Report of the Cabinet Legislation Committee: Period Ended 4 April 2025</i>	CAB-25-MIN-0106
<i>Cabinet Legislation Committee Minute of Decision - United Arab Emirates Comprehensive Economic Partnership Legislation Bill: Approval for Introduction</i>	LEG-25-MIN-0046
<i>United Arab Emirates Comprehensive Economic Partnership Legislation Bill: Approval for Introduction</i>	

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the OIA). Where this is the case, the relevant sections of the OIA that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to OIA redaction codes:

- 6(a): to avoid prejudicing the security or defence of New Zealand or the international relations of the New Zealand Government.

Please refer to the following link for the listed appendices to this Cabinet decision:

<https://www.legislation.govt.nz/bill/government/2025/0141/13.0/d7005476e2.html>

- New Zealand–United Arab Emirates Comprehensive Economic Partnership Agreement, signed in Abu Dhabi on 14 January 2025;
- Departmental disclosure statement; and
- National interest analysis.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Legislation Committee: Period Ended 4 April 2025

On 7 April 2025, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 4 April 2025:

LEG-25-MIN-0046	United Arab Emirates Comprehensive Economic Partnership Legislation Bill: Approval for Introduction	CONFIRMED
	Portfolio: Trade and Investment	

Proactively Released by the
Minister for Trade and Enterprise

Rachel Hayward
Secretary of the Cabinet



Cabinet Legislation Committee

Minute of Decision

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United Arab Emirates Comprehensive Economic Partnership Legislation Bill: Approval for Introduction

Portfolio **Trade and Investment**

On 3 April 2025, the Cabinet Legislation Committee:

- 1 **noted** that the United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill (the Bill) holds a priority category 2 on the 2025 Legislation Programme (must be passed by the end of 2025);
- 2 **noted** that Cabinet has given agencies the mandate to make all necessary changes to implement the New Zealand-United Arab Emirates Comprehensive Economic Partnership [FPS-24-MIN-0037];
- 3 **noted** that the Bill amends the Tariff Act 1988, the Customs and Excise Act 2018, the Customs and Excise Regulations 1996, the Overseas Investment Act 2005, and the Overseas Investment Regulations 2005;
- 4 **approved** the United Arab Emirates Comprehensive Economic Partnership Agreement Legislation Amendment Bill [PCO 27038/11.0] for introduction;
- 5 **agreed** that the Bill be introduced the week of 7 April 2025, for first reading 10 April;
- 6 **agreed** that the Government propose that the Bill be:
 - 6.1 referred to the Foreign Affairs, Defence and Trade Committee;
 - 6.2 s6(a)

Tom Kelly
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Simeon Brown (Chair)
Hon Erica Stanford
Hon Brooke van Velden
Hon Casey Costello
Hon Simon Watts
Hon Chris Penk
Stuart Smith, MP
Jamie Arbuckle, MP
Todd Stephenson, MP

Officials present from:

Officials Committee for LEG
Minister of Education's Office

[In Confidence]

Office of the Minister for Trade and Investment

Cabinet Economic Policy Committee

**United Arab Emirates Comprehensive Economic Partnership Legislation Bill:
Approval for Introduction**

Proposal

This paper proposes that the United Arab Emirates Comprehensive Economic Partnership Legislation Bill (the Bill) be approved for introduction to the House of Representatives.

Executive summary

- 1 The New Zealand-United Arab Emirates Comprehensive Economic Partnership (CEPA) and accompanying Bilateral Investment Treaty (BIT) were signed in Abu Dhabi by the Minister for Trade and Investment and the UAE Secretary of State for Foreign Trade on 14 January 2025, following Cabinet authorising their signature (CAB-24-MIN-0510 of 16 December 2024). That Cabinet decision also invited the Minister for Trade and Investment to issue drafting instructions to the Parliamentary Counsel Office to draft the necessary legislative and regulatory amendments to give effect to the CEPA.
- 2 There are good commercial and strategic reasons for New Zealand to ratify the CEPA and accompanying BIT. The Gulf region is a critical missing piece in New Zealand's overall FTA coverage (alongside the United States and India). The UAE is New Zealand's largest export destination in the Middle East, and is the destination for more than 40 percent of New Zealand exports to the six-country Gulf Cooperation Council (GCC). In 2024, New Zealand's exports to the UAE were valued at NZ\$1.19 billion, with food and beverages the backbone – mostly dairy, and also red meat and horticulture – plus industrial products and travel services.
- 3 The CEPA and BIT will contribute to several Government priorities, most notably to lift New Zealand's productivity and economic growth to increase opportunities, employment and incomes for New Zealanders. The Agreements will create new pathways for New Zealand exporters to sell their products and services under the Government's export double strategy, create further opportunities for diversification, and strengthen relationships in the Middle East.

The Bill

- 4 A limited number of legislative and regulatory amendments are required to align New Zealand's domestic law with obligations in the CEPA. The BIT does not require any legislative or regulatory changes.
- 5 This Bill will enable New Zealand to implement its obligations under the CEPA and is, consequently, necessary to bring the CEPA into force. The Bill amends the Tariff Act 1988, the Tariff, Customs and Excise Act 2018, the Customs and Excise Regulations 1996, the Overseas Investment Act 2005, and the Overseas Investment Regulations 2005.

- 6 This Bill will:
- 6.1 enable New Zealand's application of preferential tariff rates under the CEPA and implementation of obligations relating to the tariff treatment of goods returned after repair or alteration; and the designation of an authorised certification body to certify that goods originate in New Zealand for the purposes of the CEPA;
 - 6.2 amend 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;
 - 6.3 amend the Customs and Excise Regulations 1996 to give effect to the rules of origin applicable to imports into New Zealand that originate in the UAE; and
 - 6.4 amend the Overseas Investment Act and Regulations to increase the investment screening threshold from NZ\$100 million to \$200 million for certain non-government investors from the UAE investing in significant business assets.
- 7 Cabinet has given agencies the mandate to make all necessary changes to implement the Bill (CAB-24-MIN-0510), and it is not anticipated that the contents of this Bill will be contentious. The amendments are typical of those required by New Zealand's free trade agreements.

Impact analysis

- 8 In accordance with the Cabinet Manual and Standing Orders 405 to 408, all multilateral treaties or "major bilateral treaties of particular significance" concluded by New Zealand require the preparation of a National Interest Analysis (NIA). A NIA was prepared in accordance with the necessary requirements, and was submitted to Cabinet at the time that approval to sign the CEPA was sought (CAB-24-MIN-0510). The NIA was considered by the Foreign Affairs, Defence and Trade Committee (FADTC) as part of the Parliamentary Treaty Examination Process and is attached as Annex 1.
- 9 There are no outstanding policy issues.

Compliance

- 10 The Bill complies with the following:
- 10.1 the principles of the Treaty of Waitangi;
 - 10.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993 (no inconsistencies have been identified);
 - 10.3 the disclosure statement requirements, with a copy **attached** to this paper;
 - 10.4 the principles and guidelines set out in the Privacy Act 2020;

- 10.5 relevant international standards and obligations; and
- 10.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Consultation

- 11 The Bill has been drafted by the Parliamentary Counsel Office, and coordinated by the Ministry of Foreign Affairs and Trade, and the New Zealand Customs Service. The Treasury were consulted on a draft version of the Bill.
- 12 As part of the CEPA negotiation process, the Ministry of Foreign Affairs and Trade organised and conducted a public outreach and consultation programme, including with relevant government agencies, iwi/Māori representative groups and key stakeholders on negotiating objectives and CEPA impacts as follows:
 - 12.1 Key government agencies were involved throughout the negotiation of the CEPA as part of an inter-agency team or as part of the group regularly consulted (including the Ministry of Business, Innovation and Employment, the New Zealand Customs Service, The Ministry for Primary Industries and the Treasury).
 - 12.2 New Zealand's CEPA negotiating team held briefings with iwi/Māori representative groups and interested stakeholders, including civil society, businesses and industry groups, to update them on progress. Outreach to civil society included meetings with leaders from the New Zealand Council of Trade Unions and Business New Zealand. Engagement with Māori benefitted from regular engagement with Te Taumata, Ngā Toki Whakarururanga, Iwi Chairs Forum, and the Federation of Māori Authorities. This engagement identified a range of Māori interests and enhanced consideration of the CEPA's potential impact on such interests. Negotiators discussed issues and outcomes arising from the UAE's negotiations with these iwi/Māori representative groups.
 - 12.3 The Government caucus and other parties represented in Parliament were consulted as part of the relevant Cabinet and Foreign Affairs, Defence and Trade Committee (FADTC) processes and hearings.

Binding on the Crown

- 13 The United Arab Emirates Comprehensive Economic Partnership Legislation Bill will be binding on the Crown.

Allocation of decision making powers

- 14 The Bill's commencement date will be set by the Governor-General by Order in Council.

Associated regulations

- 15 All changes, including changes to regulations, are included in the Bill.

Commencement of legislation

- 16 There is no set entry into force date for the CEPA on which to base the commencement date for this Bill. Consequently, the Bill provides for a commencement date to be appointed by an Order in Council. This form of commencement is necessary in order to coordinate the Bill's commencement with the entry into force of the CEPA.

- 17 s6(a)

I understand that the UAE ratification process will be relatively quick and therefore sought category 2 priority for this Bill, which was approved by Cabinet.

- 18 This Bill is the top priority in my trade portfolio given the UAE CEPA and BIT have already been signed by New Zealand and the UAE. To lock in the gains made by these agreements, and to ensure prompt economic gains for New Zealand exporters, I intend that this Bill be enacted as soon as possible ^{s6(a)}

- 19 s6(a) will allow New Zealand exporters to benefit from tariff elimination of 98.5% of our trade with the UAE immediately upon entry into force, with a further 0.5% of tariffs eliminated on 1 January 2027.

Parliamentary stages

- 20 Consequently, I propose the Bill should be introduced in April 2025. This will allow the CEPA to enter into force as early as practicable. It is proposed that the Bill be referred to FADTC.

Proactive Release

- 21 This paper should be proactively released within 30 business days of final decision being taken by this Cabinet Committee, with redactions where necessary.

Recommendations

The Minister for Trade and Investment recommends that the Committee:

- 1 **note** that the United Arab Emirates Comprehensive Economic Partnership Legislation Bill holds a category 2 (must be passed in 2025) priority on the 2025 Legislation Programme;
- 2 **note** that Cabinet has given agencies the mandate to make all necessary changes to implement the CEPA (CAB-24-MIN-0510);
- 3 **note** that the Bill amends the Tariff Act 1988, the Tariff, the Customs and Excise Act 2018, the Customs and Excise Regulations 1996, the Overseas Investment Act 2005, and the Overseas Investment Regulations 2005;
- 4 **approve** the United Arab Emirates Comprehensive Economic Partnership Legislation Bill for introduction, subject to the final approval of the government caucus and sufficient support in the House of Representatives;
- 5 **agree** that the Bill be introduced the week of 7 April 2025 for first reading 10 April; and
- 6 **agree** that the government propose that the Bill:
 - 6.1 be referred to the Foreign Affairs, Defence and Trade Committee (FADTC)
 - 6.2 enter into force^{s6(a)}

Authorised for lodgement

Hon Todd McClay
Minister for Trade and Investment