



# How the NZ-EU FTA supports Services and Digital Trade exporters

The Free Trade Agreement (FTA) between New Zealand and the European Union (EU) makes it easier for businesses that trade services and digital products between the two markets. This factsheet provides some basic information on those benefits and is intended as a general guide only. For more detailed information you should consult the [text of the FTA](#), consult local authorities in the relevant market and seek legal guidance.

## Benefits of the FTA at a glance

### Services



Under the FTA the EU has made the following commitments that benefit New Zealand services providers:

- in general, the EU must treat New Zealand service suppliers into the EU in an equivalent manner to how it treats its own EU suppliers;
- the EU will not impose restrictions that limit the number of suppliers, the value of transactions, the number of service operations, the participation of foreign capital, or the number of persons able to be employed;
- the EU will not require New Zealand businesses to invest in specific types of legal entities in order to provide services in the EU;
- if the EU negotiates FTAs with other partners in the future, then it will extend the benefits it provides under those FTAs to services suppliers from New Zealand; and,
- the EU will not require services suppliers to establish a local office to deliver services into the EU.



If your company encounters any policies or regulations in the EU that are inconsistent with these principles, please contact us by emailing [exports@mfat.govt.nz](mailto:exports@mfat.govt.nz).

New Zealand and the EU have also agreed to make licensing and other requirements for service providers as simple, transparent, fair, and timely as practical. Wherever possible, electronic processes will be preferred in order to streamline procedures.

New Zealand and the EU have committed to facilitating professional services by encouraging the mutual recognition of professional qualifications.

## **Digital Trade**



Data is the lifeblood of digital trade. The FTA includes rules to guide the regulatory environment in New Zealand and the EU towards the free flow of data with trust. Digital exporters benefit from clear rules that ensure neither New Zealand or the EU can force the transfer of, or access to, source code as a condition of the import, export, distribution, sale or use of software.

New Zealand and the EU have also agreed not to impose customs duties on digital trade.

The FTA also encourages the uptake of cross-border electronic tools for doing business such as e-contracts.

## **Benefits for certain sectors**

Under the FTA, New Zealand and the EU have also agreed to certain commitments for specific service providers.



For example, the FTA guarantees certain types of access for **telecommunications providers**, including largely unrestricted access to, and use of, public networks. In an attempt to ensure fair access to telecommunication markets, the EU has agreed to prohibit existing anti-competitive behaviours by existing major suppliers and ensure that those major suppliers do not unfairly restrict interconnections.



Under the FTA, New Zealand and the EU have also agreed that **financial service suppliers** will be able to operate in each other's markets in the same way as domestic providers – they will also have access to payment and clearing systems operated by public entities, and to official funding and refinancing facilities that are normally available.



The FTA also provides certain guarantees for **maritime transportation** companies, including equal treatment in accessing ports, use of infrastructure and services at ports, and the application of fees. New Zealand and the EU have also committed not to impose discriminatory measures that would disadvantage providers from the other market.

## Exceptions

The EU and New Zealand have identified specific laws which are not subject to the above rules. Please refer to the [text of the FTA](#) for more detailed guidance.

These laws are part of a broader set of measures and exceptions that ensure the protection of policy space and the right to regulate. For example, the obligations covered above do not apply to audio-visual services, maritime cabotage, government procurement and most air services. For more detail, please see the [text of the FTA](#).



## Where to go to find further information

This is not a comprehensive guide. For further information please refer to the text of the FTA or contact the Ministry of Foreign Affairs and Trade at: [exports@mfat.govt.nz](mailto:exports@mfat.govt.nz)

The FTA is a comprehensive and high quality agreement which contains a range of other commitments that might be relevant to service providers. These include provisions:

- making it easier for New Zealand and EU businesspeople to travel and work in New Zealand and the EU. For more information, please refer to our Plain Language Guide on the movement of people;
- facilitating investment – please see our Plain Language Guide on investment; and
- opening up government procurement opportunities - please refer to our Plain Language Guide on government procurement.