

# Proactive Release

Date: 21 February 2019

These briefings and Cabinet paper has been proactively released by the Ministry of Foreign Affairs and Trade:

**Singapore Closer Economic Partnership Upgrade: Approval of  
Final Outcome and Next Steps – Cabinet paper**

**Singapore Closer Economic Partnership Upgrade: Approval of  
Final Outcome and Next Steps – Cabinet Minute**

**Aide Memoire for DEV (31 October 2018): Singapore CEP Approval of  
Final Outcome and Next Steps**

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 Act). Where this is the case, the relevant sections of the Act 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 redaction codes:

- 6(a): to avoid prejudicing the international relations of the New Zealand Government;

Chair,  
Cabinet

## Singapore Closer Economic Partnership Upgrade: Approval of Final Outcome and Next Steps

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### Proposal

1 I propose that Cabinet:

- a. approve the outcome of negotiations to upgrade New Zealand's Closer Economic Partnership (CEP) with Singapore;
- b. authorise the signature of:
  - i. the *Protocol to Amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership* (the **Protocol**);
  - ii. the *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the **MRA**);
  - iii. the side letter on professional qualification recognition;
  - iv. the side letter on the relationship between the Protocol and New Zealand's existing free trade agreements with Singapore; and,
- c. authorise the necessary steps for New Zealand to bring the Protocol and MRA into force, including presentation of the texts of the instruments and a National Interest Analysis (NIA) to the House of Representatives.

2 This is the second in a suite of Cabinet Papers covering New Zealand's Enhanced Partnership with Singapore. A paper from the Minister of Foreign Affairs addresses the outcome of the overall Enhanced Partnership negotiations, of which the CEP upgrade forms a key part.

### Executive summary

3 The upgrade of New Zealand's first free trade agreement with Singapore, the 2001 Closer Economic Partnership (CEP), is a key trade and economic pillar outcome of the broader Enhanced Partnership with Singapore.

4 I propose that New Zealand signs the Protocol, MRA and associated side letters, which collectively upgrade the CEP. The upgrade constitutes the first wide-ranging upgrade of an FTA to which New Zealand is party to. Taken as a whole, the CEP upgrade will deliver:

- improved market access for New Zealanders into Singapore through enhanced visa access for service suppliers and intra-corporate transferees;
- modernised rules covering trade in goods (including customs procedures and trade facilitation, and rules of origin);
- modern frameworks to address non-tariff barriers; including (a) sector-specific frameworks for wine and distilled spirits, cosmetics, pharmaceuticals and medical devices, and (b) implementing arrangements relating to aspects of the Sanitary and Phytosanitary Chapter of the CEP;
- a new framework to enable regulatory cooperation;
- updated competition and consumer protection rules;
- targeted improvements to investment provisions; and
- new rules covering electronic commerce.

5 The outcomes from negotiations are within the mandate provided by Cabinet.

6 I propose that the conclusion of negotiations of the CEP upgrade be announced in November when Ministers meet in the margins of other regional events. In the interests of transparency, I propose that this Cabinet paper, the associated Cabinet minute, the texts of the final outcome, and the national interest analysis be released following this announcement.

7 It is envisaged that the final outcomes from the CEP upgrade will be signed in  
s6(a) as part of the launch of the broader Enhanced Partnership. Following signature, the Protocol and MRA will be presented to the House of Representatives together with the NIA for parliamentary treaty examination.

8 Entry-into-force of the Protocol and MRA is subject to the completion of the necessary domestic procedures of both Parties. Entry-into-force of the Protocol and MRA is unlikely to take place until the second half of 2019. The two non-legally-binding side-letters take effect from signature.

## Background

9 New Zealand's relationship with Singapore is one of our closest in Asia. Singapore's geostrategic location and standing in the region, and our shared interests as small advanced economies make it a key partner for New Zealand in the pursuit of our national, regional and global interests.

10 Singapore is our largest trading partner in South East Asia, with NZ\$4.9 billion of two-way trade in the year ending June 2018. On regional economic and political issues, New Zealand and Singapore often share common interests. We have a strong track record of working together to progress shared goals in the Asia-Pacific Economic Cooperation grouping, the East Asia Summit, the World Trade Organization and the United Nations.

11 While Singapore and New Zealand already enjoy a close and strong partnership, it was felt that significant further gains could be delivered through a closer, more strategic partnership that focuses on both current and future challenges. With this vision in mind,

New Zealand Singapore launched negotiations in 2017 on an “Enhanced Partnership” with the intention of qualitatively lifting cooperation across a wide range of areas including trade, science, innovation, the environment, education, the arts, security and defence.

12 Upgrading the CEP forms a critical part of the Enhanced Partnership exercise. As two open and liberal economies with considerable experience in FTAs, New Zealand and Singapore wanted to enhance their bilateral agreement so that it could serve as a modern benchmark and template for other negotiations, particularly as both sides look to modernise and upgrade other existing agreements.

13 Given the high-quality market access outcomes New Zealand has already secured in other trade agreements with Singapore, the primary value-add of the upgrade is strategic. Singapore and New Zealand are both small, like-minded advanced economies which rely on the international rules based system. The upgrade of the CEP will help to reinforce the role both countries play as leaders in trade and economic integration which can serve as a model for the wider Asia-Pacific region in years to come.

## Comment

14 While a number of New Zealand’s other FTAs have been amended to include improvements in discrete aspects of an FTA, the upgrade of the Singapore CEP is the first time New Zealand has completed a wide-ranging upgrade of an FTA. The original CEP was signed in 2001, and was New Zealand’s second FTA after the Closer Economic Relations agreement with Australia.

15 The CEP upgrade consists of a negotiated package of binding and non-binding instruments between New Zealand and Singapore:

- a legally binding *Protocol to Amend the Agreement between New Zealand and Singapore on Closer Economic Partnership* (the Protocol);
- a legally binding *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the MRA);
- a non-legally binding side-letter on professional qualification recognition;
- a non-legally binding side-letter confirming the relationship between the Protocol and New Zealand’s existing free trade agreements with Singapore; and
- two new non-legally binding implementing arrangements relating to aspects of the Sanitary and Phytosanitary Chapter of the CEP which are subject to ongoing negotiation.

16 The final outcomes from the negotiations are within the mandate provided by Cabinet.<sup>1</sup>

## New areas

1 ERD-17-MIN-0015 (23 May 2017), CAB-17-MIN-0536 (11 December 2017), CAB-18-MIN-0079 (5 March 2018), CAB-18-MIN-0186 (30 April 2018), and Submission to the Minister for Trade and Export Growth (8 June 2018).

17 As we already have a number of FTAs with Singapore<sup>2</sup>, a key outcome from the upgrade is to modernise the 2001 CEP to align it with our more recent FTA policy and practice. In practice, this means that it will not create a large number of new obligations for New Zealand beyond those that are already present in a number of our other FTAs with Singapore (including CPTPP once it enters into force).

18 The new features included in the upgrade are:

- a. a non-legally binding side letter where New Zealand and Singapore agree to work together to encourage the flow of **accounting professionals** between the two countries;
- b. a **regulatory cooperation** chapter in the CEP that enables New Zealand and Singapore to deepen regulatory cooperation in order to facilitate trade and further domestic policy objectives. This is the first of its kind in a New Zealand FTA;
- c. the stand-alone **MRA** on conformity assessment (including a sectoral annex on medicinal products) which provides a framework for recognition of the activities that demonstrate that a product or manufacturing process meets mandatory requirements;
- d. an **electronic commerce** chapter in the CEP, which will allow businesses and consumers to transact online with confidence, allow businesses to freely transfer data in the course of business, and protect the privacy and rights of consumers; and
- e. the addition of an **institutional structure** to the CEP to underpin the ongoing implementation of the CEP once it enters into force including a new cross-cutting committee that will be able to consider any issues between New Zealand and Singapore in relation to biosecurity, food, and primary products irrespective of which part of the CEP the issue may fall under.

#### *Market access outcomes*

19 In addition to the new areas and the overall modernisation of the text of the CEP, the upgrade also improves the market access outcomes in three main areas:

- a. an extension of the period of **visa-free entry** for New Zealand business visitors (i.e. service sellers representing a service supplier of the other Party seeking temporary entry to negotiate for the sale of services where these do not involve direct sales to the general public) visiting Singapore from the existing 1 month to a new period of 3 months;
- b. an extension for New Zealanders of the total potential term of stay in Singapore for **intra-corporate transferees** from the existing five years to a new period of eight years; and

<sup>2</sup> Closer Economic Partnership (CEP); Trans-Pacific Strategic Partnership (P4); ASEAN Australia New Zealand Free Trade Area (AANZFTA); and, Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

- c. two new implementing arrangements on **sanitary and phytosanitary measures**.

20 The two new non-legally binding arrangements which implement aspects of the SPS chapter will be finalised prior to signature. Negotiations of these two arrangements are well advanced between the Ministry for Primary Industries and its Singaporean counterpart. They are not required to be approved by Cabinet and will be concluded at officials level.

21 The first arrangement is designed to ensure trade can continue from unaffected parts of New Zealand in the event that we have an outbreak of a foreign animal disease or plant pest of economic significance. Both countries have agreed to apply internationally accepted concepts in order to allow for continued safe trade between us during an outbreak. A similar arrangement is already in place with Australia, the United States and Canada with parallel work streams to those identified below already underway.

22 Once this new arrangement is in force further work between Singapore and New Zealand will be needed to:

- a. undertake evaluations of veterinary and phytosanitary infrastructure and emergency response systems to establish and maintain Zones and pest free areas or places of production;
- b. ensure Singapore is confident we can segregate unaffected product and certify it for export;
- c. develop schedules setting out the specific diseases and pests covered by the arrangement and appropriate conditions of trade; and
- d. develop a guidance framework to support the maintenance of this arrangement and its application.

23 The second arrangement covers the recognition of each other's systems as equivalent in order to facilitate trade between the two countries. The outcome from this arrangement is greater acceptance of our systems by Singapore to deliver safe and suitable product without additional requirements needing to be imposed by them over and above New Zealand standard requirements. New Zealand, for its part, has undertaken to review Singapore's systems to ensure that they are suitable to support processing of a range of animal material from third countries for export to New Zealand.

24 Where there are differences between our respective systems such that trade cannot currently occur or where some specific issues have been identified to be resolved, actions are listed to enable both parties to work towards a solution. Under this arrangement, there has been no lowering of the level of protection that we require for biosecurity and food safety purposes.

25 Because Singapore already has an open trading approach, the gains from these implementing arrangements are relatively modest. However it is hoped these types of arrangement may be able to be used a model for application in other markets where greater gains can be made.

*Investment*

26 The CEP upgrade includes an updated and modern investment chapter based on international best practice while retaining key features of the original agreement. The new investment chapter will support the already high levels of investment flow between New Zealand and Singapore, by providing for the protection of investment.

27 The Protocol retains the voluntary investor-state dispute settlement (ISDS) that was included in the original 2001 CEP. This means that no dispute can be submitted to conciliation or arbitration unless New Zealand first agrees. As a further protection, the updated investment chapter includes an exception for tobacco control measures from the voluntary ISDS mechanism.

#### *Treaty of Waitangi*

28 The original 2001 CEP was the first of New Zealand's FTAs to include a specific provision preserving the pre-eminence of the Treaty of Waitangi in New Zealand. This provision remains unchanged as a result of the upgrade. Nothing in the original CEP, nor the upgraded CEP, will prevent the Crown from meeting its obligations to Māori and New Zealand's interpretation of the Treaty of Waitangi will not be subject to dispute settlement.

#### **Next Steps**

29 The next steps for the CEP upgrade are:

- announcement of the conclusion of negotiations;
- public release of the legally verified text of the negotiations and the NIA;
- the signing of the Protocol, MRA, two side-letters and implementing arrangements s6(a) s6(a) 2019;
- tabling of the Protocol, MRA, two side-letters and the accompanying NIA in the House of Representatives for Parliamentary Treaty Examination; and,
- for both the Protocol and MRA, following completion of all necessary requirements for entry into force in New Zealand, completing an exchange of diplomatic notes with Singapore to bring the treaties into force.

#### *Signature*

30 Approval is sought to sign the Protocol, MRA and two side-letters. The exact timing of signature will be determined closer to the time with officials coordinating closely with my office, and the offices of the Prime Minister and Minister of Foreign Affairs.

31 s6(a)

The purpose s6(a) s6(a) is to officially launch the Singapore New Zealand Enhanced Partnership, of which the CEP upgrade is a key part.

#### *Parliamentary Treaty Examination Process*

32 [TBC: The Minister of Foreign Affairs decided on 10 October 2018 that the Protocol and MRA each constitute “major bilateral treaties of particular significance” given that they are an integral part of the Enhanced Partnership, which represents a major bilateral development in the relationship between New Zealand and Singapore.]

33 Following signature, the Protocol, its side-letters and the MRA will therefore be presented together with the National Interest Analysis (NIA) to the House of Representatives for parliamentary treaty examination in accordance with the procedure set out in Standing Orders 397 to 400. The text of the final outcomes from the CEP upgrade (including the Protocol, MRA and two side-letters) are attached as Annex A. The draft NIA is attached to this Paper as Annex B.

34 During the treaty examination process, the Foreign Affairs, Defence and Trade Committee may choose to allow for public hearings and submissions. This process will allow for further engagement with stakeholders.

#### *Changes to regulation*

35 Most of the obligations in the Protocol would be met by New Zealand’s existing domestic legal and policy regime. While no changes to primary legislation are required, there are two regulatory amendments needed in order to implement certain obligations under the Protocol, and thereby enable New Zealand to ratify the Protocol. These are:

- a. an amendment order under the Tariff Act to implement Article 2.17 that creates an obligation not to apply a customs duty to a good that re-enters New Zealand’s after it has been temporarily exported to another country for repair or alteration; and,
- b. an amendment to the Customs and Excise Regulations 1996 to implement the agreed rules of origin and product specific rules for goods imported from Singapore.

#### *Entry-into-force*

36 Entry-into-force is subject to the completion of the necessary domestic procedures of both Parties. The earliest entry-into-force is expected to occur in the second half of 2019.

37 The Protocol will enter into force following New Zealand and Singapore’s completion of their respective domestic legal procedures on a date agreed by the Parties. For New Zealand the required domestic legal procedures include the parliamentary treaty examination process and the passage of required regulatory instruments necessary to meet New Zealand’s obligations under the Protocol.

38 The MRA will also enter into force following New Zealand and Singapore’s completion of their respective domestic legal procedures, on the first day of the second month following the exchange of diplomatic notes confirming these procedures have been completed.

39 The two non-legally-binding side-letters take effect from signature.

#### *Consultation*

40 The following departments and agencies have been consulted: the Ministry of Business, Innovation and Employment; Ministry for Primary Industries; Treasury;

Ministry for the Environment; Ministry of Health; Customs; Te Puni Kōkiri; and the Department of Prime Minister and Cabinet. New Zealand First and the Greens have also been notified of the preparation of this paper.

41 The NIA outlines the wider consultation and engagement with Māori and civil society during the negotiating process.

### Financial implications

42 There are no fiscal costs of the Protocol or MRA entering into force, beyond those already met by departmental baselines.

### Human rights

43 There are no inconsistencies with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

### Legislative implications

44 Most of the obligations in the CEP upgrade will be met by New Zealand's existing domestic legal and policy regime. However, small number of regulatory amendments will be required to align New Zealand's domestic legal regime with certain obligations under CEP upgrade, and thereby enable New Zealand to ratify the Agreement. These are explained in paragraph 34 above.

### Regulatory impact analysis

45 The Regulatory Impact Analysis Team at the Treasury (RIAT) has reviewed the National Interest Analysis for the Protocol to amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership produced by the Ministry of Foreign Affairs and Trade and dated October 2018. The review team considers that the RIS **meets** the QA criteria for National Interest Analyses.

46 The likely impacts for New Zealand, both positive and negative, of the various parts of the Protocol are systematically explained and the actions that will be necessary for New Zealand to implement the upgrade are clearly set out. Evidence is provided of extensive consultation.

### Publicity

47 An announcement on the conclusion of negotiations could be made in the margins of the Asia Pacific Economic Cooperation high-level meetings in November. Given our commitment to enhancing transparency around trade negotiations, this would help us to ensure that New Zealanders are able to familiarise themselves with the outcomes of the negotiations before the Protocol, MRA and the associated side instruments are signed.

48 In order to facilitate the understanding of New Zealanders and in the interests of transparency, I propose to release this Cabinet paper, the associated Cabinet minute along with the text of the Protocol, the MRA, the associated side instruments, and the NIA following the public announcement of the conclusion of negotiations.

49 Further information about the upgraded CEP and a FAQs section will be added to the MFAT website during this process.

## Recommendations

50 The Minister for Trade and Export Growth recommends that Cabinet:

- 1 **Note** negotiations to upgrade New Zealand's Closer Economic Partnership (CEP) with Singapore were formally concluded by Chief Negotiators in August 2018;
- 2 **Note** the outcome from negotiations meets New Zealand's negotiating objectives and is within the revised mandate approved by Cabinet;
- 3 **Approve** the text of the *Protocol to Amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership* (the **Protocol**) (Annex 1); the *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the **MRA**) (Annex 2); the non-binding side letter on professional qualification recognition and the non-binding side letter on the relationship between the Protocol and New Zealand's existing free trade agreements with Singapore (the **Side-Letters**) (Annex 3), subject to any minor or technical changes arising from the final legal verification process;
- 4 **Note** that the arrangements implementing aspects of the Sanitary and Phytosanitary Chapter of the Protocol are subject to ongoing negotiation between New Zealand and Singapore;
- 5 **Approve** the draft National Interest Analysis (NIA) (Annex 4), subject to any minor or technical changes required between now and public release;
- 6 **Authorise** the Minister of Trade and Export Growth, in consultation with relevant Ministers, to approve any necessary minor or technical amendments to the Protocol, the MRA or the Side-Letters, or the National Interest Analysis which do not materially alter their content;
- 7 **Agree** that the text of the Protocol, the MRA and the Side-letters, along with the NIA, this Cabinet paper and minute should all be made public after announcement;
- 8 **Authorise** signature of the Protocol, the MRA and the Side-letters;
- 9 **Agree** that following signature, the texts of the Protocol, the MRA and the Side-letters and the NIA be presented to the House of Representatives for parliamentary treaty examination, in accordance with Standing Orders 397-400;
- 10 **Note** that no amendment to primary legislation is required in order to implement the CEP upgrade in domestic law;
- 11 **Invite** the Minister of Customs to issue drafting instructions to the Parliamentary Counsel Office for the regulations required to implement the Protocol;

- 12 **Note** that the Protocol and the MRA will enter into force following completion of an exchange of diplomatic notes between New Zealand and Singapore confirming completion of their respective domestic legal processes;
- 13 **Approve** New Zealand bringing the Protocol and the MRA into force by completing an exchange of diplomatic notes with Singapore following the satisfactory completion of parliamentary treaty examination and the approval of relevant implementing regulations.
- 14 **Note** the earliest that the Protocol or the MRA are expected to enter into force is the second half of 2019.
- 15 **Note** that the ongoing costs associated with implementing the upgraded CEP are low and will be met from within departmental baselines;

Authorised for lodgement.

Hon David Parker

Minister for Trade and Export Growth



# Cabinet Economic Development Committee

## 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.*

### Singapore Closer Economic Partnership Upgrade: Approval of Final Outcome and Next Steps

**Portfolio**                      **Trade and Export Growth**

On 31 October 2018, the Cabinet Economic Development Committee:

- 1        **noted** that negotiations to upgrade New Zealand's Closer Economic Partnership (CEP) with Singapore were formally concluded by Chief Negotiators in August 2018;
- 2        **noted** that the outcome from negotiations meets New Zealand's negotiating objectives and is within the revised mandate previously approved by Cabinet;
- 3        **approved**, subject to any minor or technical changes arising from the final legal verification process, the text of the:
  - 3.1      *Protocol to Amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership* (the Protocol), attached as Annex 1 to the submission under DEV-18-SUB-0249;
  - 3.2      *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the MRA) attached as Annex 2;
  - 3.3      non-binding side letter on professional qualification recognition and the non-binding side letter on the relationship between the Protocol and New Zealand's existing free trade agreements with Singapore (the Side-Letters), attached as Annex 3;
- 4        **noted** that the arrangements implementing aspects of the Sanitary and Phytosanitary Chapter of the Protocol are subject to ongoing negotiation between New Zealand and Singapore;
- 5        **approved** the draft National Interest Analysis (NIA), attached as Annex 4, subject to any minor or technical changes required between now and public release;
- 6        **authorised** the Minister of Trade and Export Growth, in consultation with relevant Ministers, to approve any necessary minor or technical amendments to the Protocol, the MRA or the Side-Letters, or the NIA which do not materially alter their content;
- 7        **agreed** that the text of the Protocol, the MRA and the Side-letters, along with the NIA, the paper DEV-18-SUB-0249 and its associated minute be made public after announcement;
- 8        **authorised** signature of the Protocol, the MRA and the Side-Letters;

- 9 **agreed** that following signature, the texts of the Protocol, the MRA and the Side-Letters and the NIA be presented to the House of Representatives for parliamentary treaty examination, in accordance with Standing Orders 397-400;
- 10 **noted** that no amendment to primary legislation is required in order to implement the CEP upgrade in domestic law;
- 11 **invited** the Minister of Customs to issue drafting instructions to the Parliamentary Counsel Office for the regulations required to implement the Protocol;
- 12 **noted** that the Protocol and the MRA will enter into force following completion of an exchange of diplomatic notes between New Zealand and Singapore confirming completion of their respective domestic legal processes;
- 13 **approved** New Zealand bringing the Protocol and the MRA into force by completing an exchange of diplomatic notes with Singapore following the satisfactory completion of parliamentary treaty examination and the approval of relevant implementing regulations;
- 14 **noted** the earliest that the Protocol or the MRA are expected to enter into force is the second half of 2019;
- 15 **noted** that the ongoing costs associated with implementing the upgraded CEP are low and will be met from within departmental baselines.

Janine Harvey  
Committee Secretary

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**Present:**

Rt Hon Jacinda Ardern  
Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Phil Twyford  
Hon Dr Megan Woods  
Hon David Parker  
Hon Nanaia Mahuta  
Hon Iain Lees-Galloway  
Hon Jenny Salesa  
Hon Damien O'Connor  
Hon Shane Jones  
Hon Kris Faafoi  
Hon Willie Jackson  
Hon James Shaw

**Officials present from:**

Office of the Prime Minister  
Officials Committee for DEV

**Hard-copy distribution:**

Minister for Trade and Export Growth

## Aide Memoire for DEV (31 October 2018): Singapore CEP Approval of Final Outcome and Next Steps

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### Key points

- You are taking a paper to Cabinet seeking approval of the outcome of negotiations of the Singapore CEP upgrade.
- The upgrade consists of a negotiated package of binding and non-binding instruments between New Zealand and Singapore, which Cabinet will consider:
  - a) a legally binding *Protocol to Amend the Agreement between New Zealand and Singapore on Closer Economic Partnership* (the Protocol);
  - b) a legally binding *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the MRA);
  - c) a non-legally binding side-letter on professional qualification recognition; and,
  - d) a non-legally binding side-letter confirming the relationship between the Protocol and New Zealand's existing free trade agreements with Singapore.
- Two new non-legally binding implementing arrangements relating to aspects of the Sanitary and Phytosanitary Chapter of the CEP will also be part of the final package, however are subject to ongoing negotiation.
- This paper is the second in a suite of Cabinet papers covering New Zealand's Enhanced Partnership with Singapore. A paper from the Minister of Foreign Affairs addresses the outcome of the overall Enhanced Partnership negotiations, of which the CEP upgrade forms a key part.
- A National Interest Analysis (NIA) has also been prepared by MFAT and concludes that it is in New Zealand's interest to enter into the CEP upgrade.
- Officials are liaising with Singapore on a possible announcement on the conclusion of negotiations to be made in the margins of the East Asia Summit in Singapore in November. However, if an announcement is not possible at that time, a joint statement will be released online in November.
- The CEP upgrade will be signed in s6(a) as part of the launch of the broader Enhanced Partnership. Following signature, the Protocol and MRA will be presented to the House of Representatives together with the NIA for parliamentary treaty examination.

*Trade Negotiations Division  
Ministry of Foreign Affairs and Trade  
April 2018*

## Annex 1: Recommendations for Cabinet

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The Minister for Trade and Export Growth recommends that Cabinet:

- 1 **Note** negotiations to upgrade New Zealand's Closer Economic Partnership (CEP) with Singapore were formally concluded by Chief Negotiators in August 2018;
- 2 **Note** the outcome from negotiations meets New Zealand's negotiating objectives and is within the revised mandate approved by Cabinet;
- 3 **Approve** the text of the *Protocol to Amend the Agreement between New Zealand and Singapore on a Closer Economic Partnership* (the **Protocol**) (Annex 1); the *Mutual Recognition Agreement on Conformity Assessment between the Government of New Zealand and the Government of the Republic of Singapore* (the **MRA**) (Annex 2); the non-binding side letter on professional qualification recognition and the non-binding side letter on the relationship between the Protocol and New Zealand's existing free trade agreements with Singapore (the **Side-Letters**) (Annex 3), subject to any minor or technical changes arising from the final legal verification process;
- 4 **Note** that the arrangements implementing aspects of the Sanitary and Phytosanitary Chapter of the Protocol are subject to ongoing negotiation between New Zealand and Singapore;
- 5 **Approve** the draft National Interest Analysis (NIA) (Annex 4), subject to any minor or technical changes required between now and public release;
- 6 **Authorise** the Minister of Trade and Export Growth, in consultation with relevant Ministers, to approve any necessary minor or technical amendments to the Protocol, the MRA or the Side-Letters, or the National Interest Analysis which do not materially alter their content;
- 7 **Agree** that the text of the Protocol, the MRA and the Side-letters, along with the NIA, this Cabinet paper and minute should all be made public after announcement;
- 8 **Authorise** signature of the Protocol, the MRA and the Side-letters;
- 9 **Agree** that following signature, the texts of the Protocol, the MRA and the Side-letters and the NIA be presented to the House of Representatives for parliamentary treaty examination, in accordance with Standing Orders 397-400;
- 10 **Note** that no amendment to primary legislation is required in order to implement the CEP upgrade in domestic law;
- 11 **Invite** the Minister of Customs to issue drafting instructions to the Parliamentary Counsel Office for the regulations required to implement the Protocol;

- 12 **Note** that the Protocol and the MRA will enter into force following completion of an exchange of diplomatic notes between New Zealand and Singapore confirming completion of their respective domestic legal processes;
- 13 **Approve** New Zealand bringing the Protocol and the MRA into force by completing an exchange of diplomatic notes with Singapore following the satisfactory completion of parliamentary treaty examination and the approval of relevant implementing regulations.
- 14 **Note** the earliest that the Protocol or the MRA are expected to enter into force is the second half of 2019.
- 15 **Note** that the ongoing costs associated with implementing the upgraded CEP are low and will be met from within departmental baselines;