

# Departmental Disclosure Statement

---

India Free Trade Agreement Legislation Amendment Bill
---

The departmental disclosure statement for a government Bill seeks to bring together in one place a range of information to support and enhance the Parliamentary and public scrutiny of that Bill.

It identifies:

- the general policy intent of the Bill and other background policy material;
- some of the key quality assurance products and processes used to develop and test the content of the Bill; and
- the presence of certain significant powers or features in the Bill that might be of particular Parliamentary or public interest and warrant an explanation.

This disclosure statement was prepared by the Ministry of Foreign Affairs and Trade.

The Ministry of Foreign Affairs and Trade certifies that, to the best of its knowledge and understanding, the information provided is complete and accurate at the date of finalisation below.

Date finalised: 25 May 2026

## Contents

Contents.....	2
Part One: General Policy Statement.....	3
Part Two: Background Material and Policy Information .....	4
Part Three: Testing of Legislative Content.....	6
Part Four: Significant Legislative Features .....	10

## Part One: General Policy Statement

This Bill is an omnibus Bill introduced in accordance with 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 the Government of New Zealand and the Government of the Republic of India (the **FTA**), signed at New Delhi on 27 April 2026.

This Bill is necessary to bring the FTA into force and will enable New Zealand to implement its obligations under the FTA. Although most of the obligations in the FTA are already met by New Zealand's existing domestic legal and policy regime, the Bill sets out a number of legislative amendments and new provisions to align New Zealand's domestic law with certain obligations in the FTA.

The Bill amends the following:

- the Dairy Restructuring Act 2001 to enable a tariff-rate quota (**TRQ**) for albumins under the FTA to be brought within the existing licence allocation system for dairy and export licenses; and
- the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005 to increase from \$100 million to \$200 million the monetary threshold above which consent is required for investments by non-government investors from India in "significant business assets" in New Zealand; and
- the Tariff Act 1988 to provide a provisional transitional safeguard mechanism for imports from India; and
- the New Zealand Tariff to enable the application of the preferential tariff rates agreed in the FTA and to implement obligations relating to the tariff treatment of goods returned after repair or alteration; and
- 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 FTA; and
- the Customs and Excise Regulations 1996 to implement the agreed rules of origin and product specific rules of origin for goods imported from India.

In addition, *Part 4* of the Bill enables separate TRQ administration systems for apples, kiwifruit, and mānuka honey to be established via regulations. The intention is that *Part 4* will be separated out as a separate Bill at the Committee of the Whole House stage.

A copy of the FTA can be found at: <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/new-zealand-india-free-trade-agreement>

## Part Two: Background Material and Policy Information

### Published reviews or evaluations

<b>2.1. Are there any publicly available inquiry, review or evaluation reports that have informed, or are relevant to, the policy to be given effect by this Bill?</b>	<b>YES</b>
The Foreign Affairs, Defence and Trade Select Committee (FADTC) commenced the parliamentary treaty examination (PTE) of the NZ-India FTA on 28 April 2026. At the time of writing, it is expected that FADTC will issue a report when it reports to the House of Representatives at the conclusion of the PTE process.	

### Relevant international treaties

<b>2.2. Does this Bill seek to give effect to New Zealand action in relation to an international treaty?</b>	<b>YES</b>
This Bill seeks to give effect to the Free Trade Agreement between the Government of New Zealand and the Government of the Republic of India, done at New Delhi on 27 April 2026. The NZ-India FTA text can be found: <a href="https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/new-zealand-india-free-trade-agreement/text-of-the-agreement">https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/new-zealand-india-free-trade-agreement/text-of-the-agreement</a>	

<b>2.2.1. If so, was a National Interest Analysis report prepared to inform a Parliamentary examination of the proposed New Zealand action in relation to the treaty?</b>	<b>YES</b>
The NZ-IN FTA National Interest Analysis (NIA) was prepared by the Ministry of Foreign Affairs and Trade and published on 27 April 2026. The NIA is available from: <a href="#">Resources   New Zealand Ministry of Foreign Affairs and Trade</a>	

### Regulatory impact analysis

<b>2.3. Were any regulatory impact statements provided to inform the policy decisions that led to this Bill?</b>	<b>YES</b>
The NZ-IN FTA National Interest Analysis (NIA) was prepared by the Ministry of Foreign Affairs and Trade in consultation with other relevant government agencies. It was presented to the House of Representatives on 28 April 2026 in accordance with the parliamentary treaty examination process.	

<b>2.3.1. If so, did the Ministry for Regulation provide an independent opinion on the quality of any of these regulatory impact statements?</b>	<b>YES</b>
An extended NIA has been prepared in accordance with the necessary requirements for a regulatory impact analysis. The NIA sets out, amongst other things, the advantages and disadvantages of the FTA, costs and benefits, as well as policy changes from the NZ-IN FTA and what they mean for New Zealand.  The Ministry for Regulation's Impact Analysis team has determined that the quality of the NIA was sufficient to substitute the regulatory impact statement requirements.	

<b>2.3.2. Are there aspects of the policy to be given effect by this Bill that were not addressed by, or that now vary materially from, the policy options analysed in these regulatory impact statements?</b>	<b>NO</b>
--	-----------

### Extent of impact analysis available

<b>2.4. Has further impact analysis become available for any aspects of the policy to be given effect by this Bill?</b>	<b>YES</b>
Economic Impact Assessment of the New Zealand-India Free Trade Agreement, MOTU Economic and Public Policy Research Trust, February 2026.	

<b>2.5. For the policy to be given effect by this Bill, is there analysis available on:</b>	
<b>(a) the size of the potential costs and benefits?</b>	<b>YES</b>
<b>(b) the potential for any group of persons to suffer a substantial unavoidable loss of income or wealth?</b>	<b>NO</b>
<p>2.5 (a) A cost/benefit analysis of the NZ-IN FTA is included in sections 7 and 8 of the NIA.</p> <p>2.5 (b) The NIA comprehensively assesses the impact for New Zealand of meeting the India FTA's obligations (including as met through implementing legislation). No group of persons is identified as likely to experience any substantial loss of income or wealth as a result of the FTA. The FTA is estimated to result in a net economic benefit for New Zealand. There may be, however, a degree of variance between different sectors of the economy. See section 7 of the NIA for more information.</p>	

<b>2.6. For the policy to be given effect by this Bill, are the potential costs or benefits likely to be impacted by:</b>	
<b>(a) the level of effective compliance or non-compliance with applicable obligations or standards?</b>	<b>NO</b>
<b>(b) the nature and level of regulator effort put into encouraging or securing compliance?</b>	<b>NO</b>

## Part Three: Testing of Legislative Content

### Consistency with New Zealand's international obligations

<b>3.1. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with New Zealand's international obligations?</b>
--

The Bill makes the amendments to New Zealand law necessary for it to ratify the FTA. The Ministry of Foreign Affairs and Trade worked with domestic agencies to identify the necessary amendments to legislation in order to identify those amendments and prepare the Bill. MFAT considers that the policy given effect by the Bill is consistent with New Zealand's international obligations, including for example arising from the WTO agreements and from ratifying the FTA.
--

### Consistency with the government's Treaty of Waitangi obligations

<b>3.2. What steps have been taken to determine whether the policy to be given effect by this Bill is consistent with the principles of the Treaty of Waitangi?</b>
---

The FTA preserves the unique status of te Tiriti o Waitangi/the Treaty of Waitangi. India recognised the importance of this to New Zealand and agreed to the inclusion of a Treaty of Waitangi exception to protect the capacity of the Crown to implement domestic policies that fulfil its obligations to Māori, including under the Treaty of Waitangi, without being obliged to offer equivalent treatment to India. This provision is consistent with all of New Zealand's FTAs since 2001.
--

The NIA prepared by the Ministry of Foreign Affairs and Trade also includes analysis on effects of the FTA on Māori in section 7.4 of the NIA.
--

### Consistency with the New Zealand Bill of Rights Act 1990

<b>3.3. Has advice been provided to the Attorney-General on whether any provisions of this Bill appear to limit any of the rights and freedoms affirmed in the New Zealand Bill of Rights Act 1990?</b>	<b>YES</b>
---	------------

Advice provided to the Attorney-General by the Ministry of Justice, or a section 7 report of the Attorney-General, is generally expected to be available on the Ministry of Justice's website upon introduction of a Bill. Such advice, or reports, will be accessible on the Ministry's website at <a href="https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/advice/">https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/the-bill-of-rights-act/advice/</a>
---

## Offences, penalties and court jurisdictions

<b>3.4. Does this Bill create, amend, or remove:</b>	
<b>(a) offences or penalties (including infringement offences or penalties and civil pecuniary penalty regimes)?</b>	<b>NO</b>
<b>(b) the jurisdiction of a court or tribunal (including rights to judicial review or rights of appeal)?</b>	<b>NO</b>
<p>Clause 59 of the Bill creates the following new strict liability offences:</p> <ol style="list-style-type: none"> <li>1. exporting under the TRQ system without a TRQ allocation; and</li> <li>2. exporting under the TRQ system in excess of the allocation made to the exporter;</li> <li>3. exporting under the TRQ system without a valid certificate.</li> </ol> <p>These offences will have a maximum financial penalty of \$200,000. This is comparable to the maximum penalties for similar or the same offences in the Dairy Industry Restructuring Act 2001 and the Meat Board Act 2004.</p> <p>Clause 59 of the Bill also creates the offence of providing false or misleading information, or making a material omission when required or requested to provide information under the Act or regulations. The maximum penalty for this offence is \$10,000. This is based on the maximum penalties for the same offences in the Horticulture Export Authority Act 1987 and the now repealed UK Apples Transitional Quota Act 2022.</p>	

<b>3.4.1. Was the Ministry of Justice consulted about these provisions?</b>	<b>YES</b>
<p>The Ministry of Justice's Offences and Penalty Vetting team have reviewed and provided feedback on all proposed offences.</p> <p>The Ministry of Justice advised that the fourth offence was unsuitable for a strict liability offence due to the use of the wording 'false or misleading' which implies mens rea. As a result, this is no longer a strict liability offence.</p> <p>The Ministry of Justice also noted that the proposed penalty levels appear proportionate to the offending, given their basis in levels under comparable legislation and the relevant behaviour.</p> <p>The Ministry of Justice did query whether consideration had been given to a tiered penalty system amongst different products. MPI has considered this and has decided to align the offences and penalties regime in the Bill with other quota management systems.</p>	

## Privacy issues

<b>3.5. Does this Bill create, amend or remove any provisions relating to the collection, storage, access to, correction of, use or disclosure of personal information?</b>	<b>YES</b>
<p>Clauses 53 and 54 of the Bill enable the quota manager to gather information; and share information with MPI, Customs and MFAT. The Bill does not affect privacy, except to the extent that information may be collected and shared from businesses that are also sole traders.</p>	

<b>3.5.1. Was the Privacy Commissioner consulted about these provisions?</b>	<b>YES</b>
--	------------

The Privacy Commission (Commission) was consulted on these issues. The Commission advised that the information gathering powers did not raise significant privacy concerns and have offered to contribute to the development of regulations associated with these powers. The Commission also advised that there does not appear to be significant privacy concerns with the information sharing provisions. The Commission did highlight the need for consideration of Information Privacy Principle 12 – Disclosure outside New Zealand if personal information is proposed to be shared with India.

## External consultation

3.6. Has there been any external consultation on the policy to be given effect by this Bill, or on a draft of this Bill?	YES
<p><i>Consultation with key stakeholders in each of the three industries undertaken in late 2025 and early 2026. Due to the nature of this process, consultation will be ongoing. Summaries by product category are outlined below:</i></p> <p><u>Albumins</u></p> <p>The industry’s preference is for MPI to continue to administer the quota for albumins. This is because MPI’s system for administering dairy quota is well established; there is no reason to duplicate MPI’s system; and MPI is considered sufficiently neutral. In addition, it was noted that MPI already oversees compliance with many export-related requirements, and is, therefore, best placed to ensure compliance with quota requirements.</p> <p><u>Kiwifruit</u></p> <p>MPI consulted with KNZ, grower representative body New Zealand Kiwifruit Growers Incorporated (NZKGI), and Zespri. The industry’s preference is for KNZ to administer the quota. Those consulted with consider that KNZ is best placed to deliver on both collaborative marketing decisions and quota administration for the industry. They also consider that KNZ has the industry’s support.</p> <p>The sector would like the quota management system to be carefully designed so that it does not affect how the industry currently operates. This includes the single desk export model for kiwifruit and collaborative marketing approval.</p> <p><u>Apples</u></p> <p>NZAPI has written to MPI expressing a strong interest in administering the FTA apple quota. NZAPI also advised that it has the capacity to administer the quota long term. It also expects exporter interest to exceed the quota volumes. NZAPI considers that the allocation methods developed for the UK-NZ FTA would enable it to allocate quota to exporters who have not exported apples to India before; and where the quota is oversubscribed.</p> <p><u>Mānuka Honey</u></p> <p>MPI has engaged with stakeholders on who should administer the mānuka honey quota. Those consulted advised that MPI is the only organisation likely to be perceived as neutral. They also noted that MPI already issues export certification for mānuka honey and oversees the requirements relating to authentication. This means that mānuka honey exporters are accustomed to engaging with MPI on requirements for exporting.</p> <p>The quota for mānuka honey sits within what the industry classifies as low-value product, with a minimum import price of US\$20 per kilogram and a maximum of US\$30 per kilogram. While there is clear industry interest in accessing the quota, it remains uncertain whether demand will exceed the available volume.</p>	

## Other testing of proposals

<b>3.7. Have the policy details to be given effect by this Bill been otherwise tested or assessed in any way to ensure the Bill's provisions are workable and complete?</b>	<b>YES</b>
<p>While no specific testing has been completed, the negotiation of the obligations in the FTA was conducted by an inter-agency team led by MFAT.</p> <p>While no specific testing or assessment has been completed, the Bill is based on previous models successfully used for implementing other New Zealand free trade agreements, including with the EU, Malaysia, China, Hong Kong, Korea and the ASEAN-Australia-New Zealand FTA.</p> <p>The aspects of the legislation that implement the quota administration systems for apples, kiwifruit and mānuka honey are based on the now expired Apple Transitional Export Quota Act 2022. The quota administration for albumins will be incorporated into the existing quota administration system for dairy quotas in the Dairy Industry Restructuring Act 2001. This means that elements of the quota system have already been tested and shown to meet the objectives of New Zealand's quota administration systems.</p> <p>In addition, the Bill was prepared by Parliamentary Counsel Office, MFAT and those agencies that administer the particular enactments which are the subject of the Bill.</p> <p>MFAT worked with relevant domestic agencies to assess the policy details to be given effect by this Bill and to ensure the Bill's provisions are workable and complete.</p>	

## Part Four: Significant Legislative Features

### Compulsory acquisition of private property

<b>4.1. Does this Bill contain any provisions that could result in the compulsory acquisition of private property?</b>	<b>NO</b>
--	-----------

### Charges in the nature of a tax

<b>4.2. Does this Bill create or amend a power to impose a fee, levy or charge in the nature of a tax?</b>	<b>YES</b>
<p>Clauses 25 to 27 of the Bill allow for amendments to the Tariff Act 1988 (Tariff Act).</p> <p>Clauses 26 to 27 will enable, following an investigation and determination of serious injury to an industry, the application of a transitional safeguard measure against goods imported from India which may be in the form of a duty.</p> <p>The Bill creates new regulation making powers to enable fees and levies to be set to cover the costs of quota administration and cooperation activities. These will not be in the nature of a tax as they will not be greater than cost recovery, have a clear relationship to the service being provided, and are not for a public purpose.</p>	

### Retrospective effect

<b>4.3. Does this Bill affect rights, freedoms, or impose obligations, retrospectively?</b>	<b>NO</b>
---	-----------

### Strict liability or reversal of the usual burden of proof for offences

<b>4.4. Does this Bill:</b>	
<b>(a) create or amend a strict or absolute liability offence?</b>	<b>YES</b>
<b>(b) reverse or modify the usual burden of proof for an offence or a civil pecuniary penalty proceeding?</b>	<b>NO</b>
<p>As noted above, clause 59 of the Bill creates three new strict liability offences. The offences are designed to provide a deterrent against serious offending, which could damage New Zealand's reputation internationally, as well as behaviour that could limit access to the Indian quota market.</p> <p>Any potential adverse effects of a strict liability offence are mitigated by the defence available in clause 61. This provides that defendants have a defence if they can prove that:</p> <p>(a) the contravention was due to an event or a cause beyond the defendant's control, including, but not limited to,—</p> <ul style="list-style-type: none"><li>(i) a natural disaster; or</li><li>(ii) mechanical or equipment failure; or</li><li>(iii) sabotage; and</li></ul> <p>(b) the defendant took all reasonable steps to prevent the contravention.</p>	

## Civil or criminal immunity

<b>4.5. Does this Bill create or amend a civil or criminal immunity for any person?</b>	<b>YES</b>
<p>Clause 70 of the Bill provides that neither the Crown nor a quota manager is liable for any loss or damage arising from any matter that is beyond their control. This includes where a decision is made by India that relates to access to India of a specified product, or where there is a change in value of a specified product.</p> <p>The immunity is considered necessary to ensure that the Crown and quota manager cannot be held liable for international events affecting quota users, where those events are outside of their control.</p>	

## Significant decision-making powers

<b>4.6. Does this Bill create or amend a decision-making power to make a determination about a person's rights, obligations, or interests protected or recognised by law, and that could have a significant impact on those rights, obligations, or interests?</b>	<b>YES</b>
<p>The Bill creates a system for administering the rights to utilise New Zealand's export quotas under the FTA. The changes will only apply to future allocations, once the FTA enters into force.</p> <p>The Bill does not modify or rescind any existing quota allocations made under other trade agreements and quota administration regimes.</p>	

## Powers to make delegated legislation

<b>4.7. Does this Bill create or amend a power to make delegated legislation that could amend an Act, define the meaning of a term in an Act, or grant an exemption from an Act or delegated legislation?</b>	<b>YES</b>
<p>Clause 2 of the Bill allows for the Governor-General, by Order in Council, to set a date for commencement of the Bill, once a date for entry into force of the FTA becomes known.</p>	

<b>4.8. Does this Bill create or amend any other powers to make delegated legislation?</b>	<b>YES</b>
<p><i>Regulation making powers relating to quota administration for apples, kiwifruit and mānuka honey</i></p> <p>The Bill establishing a quota administration regime for apples, kiwifruit and manuka honey creates a range of new regulation making powers. The regulation making powers enable regulations to be made in relation to the following:</p> <ul style="list-style-type: none"> <li>• naming a quota manager where that is not MPI;</li> <li>• establishing a quota management system, including how quota is allocated;</li> <li>• a process for reviewing the amount of quota allocated a by non-government quota administrators;</li> <li>• a process for transferring quota;</li> <li>• establishing a return and reallocation mechanism;</li> <li>• imposing notification requirements for quota applications and allocations;</li> <li>• establishing a process for quota managers to issue export certificates;</li> <li>• enabling quota managers to set fees to recover the quota manager's costs; and</li> <li>• imposing levies to recover the costs of cooperation under the FTA.</li> </ul>	

The new regulation making powers will provide flexibility in the way that the India FTA quota is administered for different product groups.

The new regulation making powers include a range of criteria that must be met before regulations can be made, ensuring that the powers are properly constrained and used appropriately. For example, clause 69(2) requires the Minister to consult with stakeholders that the Minister considers to be relevant before a quota administrator is named in regulations. Regulation making powers enabling quota managers to set fees and regulations are also subject to safeguards. This includes establishing that notices setting fees and levies are secondary legislation, and must meeting the publication requirements of section 74(1)(aa) of the Legislation Act 2019.

*Regulation making power relating to quota administration for albumins*

The amendments to the DIRA to enable the administration of the albumin quota also creates a new regulation making power. This will enable 10% of albumin quota to be reserved for otherwise ineligible applicants.

The new regulation making power is considered necessary to ensure that exporters with small or no export volume histories for albumins have an opportunity to access albumin quota where appropriate.

The new regulation making power includes a number of criteria that must be met before the Minister recommends that a regulation be made. The Minister must be satisfied that:

- (a) there is demand for reserve albumin quota from eligible reserve albumin quota participants; and
- (b) there is evidence that those persons will be able to use the reserve albumin quota; and
- (c) the proposal to reserve the albumin quota is consistent with the India FTA; and
- (d) the proposal to reserve the albumin quota is consistent with the purpose in section 21(1); and
- (e) consultation has been undertaken with current holders of the albumin quota to ascertain—
  - (i) the potential impact that reserving albumin quota will have on their business; and
  - (ii) their views on the creation of a reserve albumin quota

**Any other unusual provisions or features**

<b>4.9. Does this Bill contain any provisions (other than those noted above) that are unusual or call for special comment?</b>	<b>NO</b>
--	-----------