



## TRADE IN SERVICES AND DIGITAL TRADE

Trade in services has seen a rapid expansion in recent years, as advances in technology make cross-border tradability easier and global consumption patterns change how businesses operate.

The EU-New Zealand Free Trade Agreement ('FTA') therefore seeks to stabilise and improve conditions for trading services between the EU and New Zealand.



### Benefits of the EU-New Zealand Free Trade Agreement

**The EU-New Zealand FTA builds upon existing international commitments and expands opportunities for EU and New Zealand services suppliers to supply their services abroad.**

The FTA aims to provide service suppliers with **stability and certainty** when accessing the other's market.

- It guarantees that European service suppliers are able to establish an enterprise in New Zealand in order to supply the vast majority of services on an **equal footing** with domestic service suppliers, as well as those from another country.
- EU service suppliers will **not be required to have local presence** (i.e. a representative office or form of enterprise such as a branch) in New Zealand in order to supply those services where New Zealand has undertaken commitments to allow the supply of a service on a cross-border basis.
- The EU and New Zealand have undertaken substantial commitments applicable to most service sectors **not to impose quantitative restrictions**, including on the number of service suppliers, the total value of service transactions, or the total number of service operations, including by way of requiring an economic needs test in order to supply a particular service.

The FTA will also **improve regulatory conditions** for services suppliers.

- The EU and New Zealand have committed to facilitate the provision of professional services by encouraging **mutual recognition of professional qualifications**.
- Both the EU and New Zealand must ensure clear, transparent, fair, and timely processes for service suppliers to acquire the licenses or qualifications necessary to supply their services. This includes **endeavouring to accept electronic applications** and accepting copies of authenticated documents in place of originals where possible.



The FTA will **facilitate the supply of services by EU enterprises to New Zealand in a range of sectors**, including delivery, telecommunications, maritime transport and financial services.

EU **telecommunications** suppliers will benefit from non-discriminatory procedures for the allocation and granting of rights of use of scarce resources in New Zealand, including radio frequency spectrum (such as 4G and 5G).

Unless a reservation applies, EU suppliers of **financial services** established in New Zealand will be able to supply any financial service that is new to New Zealand if it can supply that service in the EU and it is permissible under New Zealand law.

EU-flagged or EU supplier-operated **vessels** will be able to access and use New Zealand ports on a commercial and non-discriminatory basis where no reservation has been specified, on conditions no less favourable than those accorded to New Zealand vessels. This includes for feeder services, subject to authorisation.

## Market Access Commitments

The EU and New Zealand have placed certain restrictions in relation to the obligations set out above that may limit the supply of cross-border services or the right to establish an enterprise. These are known as **“reservations”**, or non-conforming measures. These can be found in the respective [Schedules](#) of the EU and New Zealand under Annex 10-A and 10-B of the FTA.

If a reservation is specified for an **existing measure** (i.e. currently applicable laws, regulations or rules), a more restrictive measure cannot be imposed at a future date (known as a “standstill”). If that reservation is removed or partially lifted in future, it cannot later be reimposed (known as “ratcheting”). Hence the **progressive liberalisation of services trade will be ensured in the future between the EU and New Zealand.**

A limited number of services sectors/ subsectors have been excluded from the FTA, namely:

- Air services or related services in support of air services.<sup>1</sup>
- Audio-visual services.
- National maritime cabotage.

## Movement of Natural Persons

The EU-New Zealand FTA includes commitments on the cross-border movement of services suppliers into the territory of the other Party, for business purposes. This includes procedural commitments facilitating cross-border movement, such as transparency of entry conditions and expeditious processing of visa applications. New Zealand offers a range of **visa options** for EU suppliers of services in New Zealand, which can be found [here](#).

The following categories of services suppliers are allowed to **temporarily enter** the EU and New Zealand for business purposes:

- intra-corporate transferees;
- independent professionals;
- business visitors; and
- contractual service suppliers.

1. Other than aircraft repair and maintenance services; computer reservation system (CRS) services; ground handling services; the selling and marketing of air transport services; and the following services provided using a manned aircraft, whose primary purpose is not the transportation of goods or passengers: aerial fire-fighting; flight training; spraying; surveying; mapping; photography; aviation adventure services; and other airborne agricultural, industrial and inspection services.

**Thanks to the FTA, spouses or partners and dependent children accompanying an EU intra-corporate transferee will also be able to enter and temporarily stay in New Zealand.**

## Digital Trade

The rapid rise and expansion of e-services and e-commerce platforms promises new opportunities for businesses and consumers. Digital services makes up a large and growing part of the New Zealand economy, providing immense opportunities for EU businesses and digital service suppliers.

The EU-New Zealand FTA facilitates digital trade whilst ensuring trust and protection of people's rights and interests.

### The Digital Trade chapter of the FTA:

- **Facilitates trade through digital means**, by promoting paperless trading, facilitating use of e-contracts, e-invoicing and e-authentication, prohibiting the imposition of customs duties on electronic transmissions, and facilitating the free flow of data between the EU and New Zealand. Notably, the FTA **prohibits unjustified data localisation requirements while preserving the EU's policy space regarding the protection of personal data**.
- **Protects the rights and interests of businesses and consumers**, such as those designed to provide consumer protection in the online environment and address unsolicited commercial electronic messages.
- **Provides protection** for source code from arbitrary disclosure, alongside safeguards for circumstances where there is a regulatory requirement for inspection and examination by government authorities, including where there is a concern that discrimination or bias might arise.

The FTA contains important safeguards to ensure the EU and New Zealand can regulate in the public interest.

It also guarantees New Zealand the policy space to regulate to protect Māori rights and interests in digital matters.



Refer to the EU SME Guide for more information on the benefits of the EU-New Zealand FTA and guidance on doing business in New Zealand.