

India Free Trade Agreement Legislation Amendment Bill

Government Bill

As reported from the Foreign Affairs, Defence and Trade Committee

Commentary

Recommendation

The Foreign Affairs, Defence and Trade Committee has examined the India Free Trade Agreement Legislation Amendment Bill and recommends by majority that it be passed. We recommend all amendments unanimously.

Introduction

This bill is an omnibus bill. Its purpose is to amend New Zealand law as part of implementing the Free Trade Agreement (FTA) between the Government of New Zealand and the Government of the Republic of India, signed at New Delhi on 27 April 2026. We undertook an international treaty examination of the FTA and reported to the House on 22 June 2026.¹

This bill is a necessary step to bring the FTA into force. Although most of the obligations in the FTA can already be met through New Zealand's existing legal and policy settings, some amendments and new provisions are needed to implement commitments made under the FTA.

The bill as introduced would amend:

- the Dairy Industry Restructuring Act 2001 (DIRA), to enable a quota for albumins within the existing quota allocation system
- the Overseas Investment Act 2005 and the Overseas Investment Regulations 2005, to increase the monetary threshold above which consent is required for investments from Indian non-government investors to \$200 million

¹ Our report is available on the Parliament website.

- the Tariff Act 1988, to provide the ability to apply a provisional transitional safeguard mechanism for imports from India
- the New Zealand Tariff, to implement the preferential tariff rates agreed in the FTA, and obligations relating to treatment of goods returned after repair or alteration
- the Customs and Excise Act 2018, to allow the chief executive of the New Zealand Customs Service to designate an authorised body to certify goods originating in New Zealand
- the Customs and Excise Regulations 1996, to implement the agreed rules of origin, and product-specific rules of origin, for goods imported from India.

Part 4 of the bill would enable quota management systems for apples, kiwifruit, and mānuka honey to be established via regulations. We understand that the intention is for Part 4 to be separated out to a stand-alone bill at the committee of the whole House stage.

Legislative scrutiny

As part of our consideration of the bill, we have examined its consistency with principles of legislative quality. We have no issues regarding the legislation's design to bring to the attention of the House.

Proposed amendments

This commentary covers the main amendments we recommend to the bill as introduced. These relate to quota management, and to inspection, search, and seizure powers. We do not discuss minor or technical amendments.

Establishing and operating new quota management systems

Pro-rata quota allocation

The bill as introduced does not accommodate the possibility of the FTA entering into force part-way through the quota year. This could create uncertainty for applicants about available quota, and potentially miss an opportunity to benefit from reduced tariffs in the first year. We consider that pro-rata quota allocation should be provided for, in case the FTA enters into force on a date other than 1 January.

We recommend inserting:

- new clause 2 in Schedule 3 to enable regulations to provide for pro-rata allocations of apple, kiwifruit, and mānuka honey quotas in the first year
- new clause 7A to insert new section 26C into the DIRA in relation to albumin quota, to provide for pro-rata allocations of quota in the first year.

Administration of the quota management system

As introduced, the bill states that technical or administrative requirements relating to operating the quota management system must be included in regulations. We recom-

mend amending clause 43(2) so that regulations “may specify” these, to allow for flexibility and discretion.

Allocation round results should be publicly notified

We recommend inserting clause 43(2)(b) to enable regulations to require quota managers to publicly notify the results of each allocation round. Publishing this information would provide transparency and help ensure procedural fairness. This would also align with the existing requirements for red meat and dairy quotas, which require publication of allocation decisions in the *New Zealand Gazette*.

Review of quota management decisions

Clause 44 of the bill would require a process to be established in regulations for an applicant to seek a review of a quota manager’s allocation decision. For example, this could be in relation to a decision not to allocate quota, or in relation to the amount allocated. However, we identified that it specifically excludes decisions where the Ministry for Primary Industries is the quota manager. We think that applicants should be able to seek reviews of Ministry decisions, as they would any other quota manager. We recommend amending the regulation-making power in clause 44(2) to enable this.

Incentivise use of quota allocation

Several submitters identified that the bill as introduced does not incentivise quota holders to use all their quota, nor to return unused quota in time to be reallocated. This could result in the full benefits of quota allocation going unrealised.

We propose amending clause 45(2)(b) and (c) to require quota holders to return all unused quota by the end of the quota period, where there is an established process for this.

We also recommend inserting clause 45(3) to specify that, if quota holders do not return unused quota, quota managers are empowered to reduce their allocation for the following year by an equivalent amount, unless exceptional circumstances apply.

Remove requirement to provide notice in the *New Zealand Gazette*

We recommend amending clause 46(1) to remove the requirement for quota managers to provide notice in the *New Zealand Gazette* of application process information. We consider that this would be unnecessarily burdensome, and that requiring this information to be publicly available on the quota manager’s website is sufficient.

Time frames for review of export certificate decisions

The bill would set a time limit for seeking a review of a quota manager’s decision to cancel, suspend, or refuse to issue an export certificate. We, and submitters, identified that there is no corresponding time limit for a quota manager to consider a review request. Given the time-sensitive nature of the growing season and export window, we think it is reasonable to require timely processing of such requests.

We recommend amending clause 51 to require the quota manager to appoint a reviewer as soon as practicable, and to require the reviewer to provide written notice of their determination to the quota manager and the applicant within 15 working days from the date the quota manager receives a review application.

Record keeping for demonstrating compliance

We recommend inserting clause 53A to require quota holders and quota managers to keep records for the purposes of demonstrating compliance under the bill, the regulations, and the FTA. It would also empower regulations to specify details such as the length of time storage is required for, and how records must be kept, including records relating to commercially sensitive information.

This is intended to align with the right in the bill of the quota manager to audit quota holders, and the right of the Minister to audit the quota manager. Clause 58 would require the quota holder or manager being audited to provide information that the auditor reasonably requires. Inserting record-keeping requirements into the bill would ensure that this information could be provided.

Quota manager requirements should apply to the Crown

Clause 55 of the bill as introduced proposes exempting the Crown, specifically the Ministry for Primary Industries, from the requirement placed on quota managers to manage conflicts of interests.

However, we consider that it is reasonable to expect the Crown to abide by the same requirements as other quota managers, and we recommend removing this exemption.

For the same reason we have decided to not exempt the Ministry from other requirements we are proposing for quota managers, relating to record keeping, and reporting on fees and levies.

We are aware that, unlike non-Crown quota managers, the Ministry has relevant obligations including under the Public Service Code of Conduct, the Public Records Act 2005, the Auditor-General's *Setting and administering fees and levies for cost recovery: Good practice guide*, and the Official Information Act 1982. It is not our intention for the Ministry to duplicate effort, but we decided this would be a consistent and fair approach.

The Minister may commission an audit and publish findings

Submitters identified that the bill would not permit the Minister of Agriculture to audit quota managers other than at set intervals. We recommend inserting clause 57(3)(d) to empower the Minister to commission an audit if they have reason to believe that there may be compliance problems. This would give the Minister flexibility to exercise discretion and enable potential issues to be identified more quickly than they otherwise would.

We also propose inserting clause 57(4) to require the Minister to publish, within a time frame to be specified in regulations, a summary of the findings of any audit of a quota manager.

Offences with intent and available defences

We recommend amending clause 61 to clarify that the defences available in that clause would apply only to strict liability offences under clauses 59(1)(a) to (c), and not to the offence in clause 59(1)(d) that involves an intent element.

Regulations may specify a maximum fee level

As introduced, clause 65(2)(d) would require regulations to specify a maximum level at which the quota manager may set the fee to recover the quota manager's costs. We do not consider this necessary, and recommend removing paragraph (d). Instead, we recommend inserting clause 65(2A), so that regulations "may specify a maximum level". This would give flexibility to use this tool on a discretionary basis.

Require wider consultation on fees

We consider that the consultation requirement when setting fees is not broad enough in the bill as introduced. We recommend inserting clause 65(2)(e)(iia) so that regulations may require quota managers to consult those that they would reasonably expect to apply for a quota, in addition to existing applicants and quota holders.

Transitional provisions

We understand that consultation undertaken to develop some of the regulations related to quota management would not meet statutory requirements. This is because this consultation has taken place while the bill is still before the House and the empowering provisions for the regulations are not yet in force. Consultation is required to occur prior to regulations being made.

We recommend adding the following transitional provisions to ensure that consultation already undertaken meets the statutory prerequisite for consultation prior to the making of regulations:

- new Schedule 3, Part 1, clause 1
- new Schedule 1AA, which amends the DIRA.

Alignment with the Search and Surveillance Act 2012

Submitters identified the need to align search and seizure powers in clauses 62–64 of the bill with the Search and Surveillance Act 2012 (SSA). We recommend several amendments as a result.

Authorised persons

For consistency with the SSA, we recommend that the term "authorised person" in the bill is amended throughout to "enforcement officer", as defined in section 3(1) of the SSA. This would help to make clear the interaction between the powers in this bill and established procedures in the SSA.

We also recommend amending clause 63 so that only the chief executive of the Ministry for Primary Industries can authorise enforcement officers. The Ministry already has search and seizure powers under other legislation and can appropriately train and

authorise people to exercise search warrants. This is unlikely to be the case with other quota managers. The chief executive can delegate this power in writing to other Ministry employees under the Public Service Act 2020.

Search and seizure powers with a search warrant

Clause 62 as introduced would enable investigation of an offence under a search warrant. That warrant is not subject to Part 4 of the SSA in the bill as introduced. This means there are no parameters and protections relating to how a search warrant is executed.

We recommend the following amendments to clause 62 to resolve this and align provisions with the SSA:

- insert subclause (3) into clause 62 to ensure that inspection powers are subject to relevant provisions of Part 4 of the SSA (which covers general provisions in relation to search, surveillance, and inspection powers, including immunities from liability)
- give enforcement officers the power:
 - to search any place in which a product or related documents are likely to be held as specified in the warrant
 - to seize any documents relating to a specified product.

We also recommend a consequential amendment, inserting clauses 71A and 71B into the bill, to amend Schedule 2 of the SSA to include a reference to powers granted to enforcement officers under this bill.

We recommend inserting clause 62(4) to require that enforcement officers have regard to the culture of the place they are searching.

Because subpart 7 of Part 4 of the SSA includes immunities from liability provisions, we recommend removing clause 64, which would otherwise duplicate them.

Other matters considered

We had wide-ranging discussions on the search and seizure powers in the bill. This included considering whether it would be appropriate to include warrantless search powers, for monitoring and verifying compliance with the bill.

We are aware that such powers are available under other legislation administered by the Ministry for Primary Industries. We discussed a range of alternatives, including whether powers of inspection, or a duty of production, might be suitable.

We concluded that the inclusion of warrantless search powers in the bill would not be reasonable or appropriate. If there is sufficient suspicion that a search is necessary, then we consider that it should be possible to obtain a warrant for that search.

Appendix

Committee process

The India Free Trade Agreement Legislation Amendment Bill was referred to this committee on 25 June 2026.

We called for submissions on the bill with a closing date of 19 July 2026. We received and considered submissions from 149 interested groups and individuals. We heard oral evidence from 16 submitters. We wish to acknowledge the efforts of all submitters and thank them for their engagement.

Advice on the bill was provided by the Ministry of Foreign Affairs and Trade and the Ministry for Primary Industries. The Office of the Clerk provided advice on the bill's legislative quality. The Parliamentary Counsel Office assisted with legal drafting.

Committee membership

Tim van de Molen (Chairperson)

Tim Costley

Laura McClure

Hon Damien O'Connor

Hon Dr Shane Reti

Teanau Tuiono

Vanushi Walters

Dr David Wilson and Dr Lawrence Xu-Nan participated in our consideration of this bill.

Related resources

The documents we received as advice and evidence are available on the Parliament website.

**India Free Trade Agreement Legislation Amendment
Bill**

Key to symbols used in reprinted bill

As reported from a select committee

text inserted unanimously

~~text deleted unanimously~~

Hon Todd McClay

India Free Trade Agreement Legislation Amendment Bill

Government Bill

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The Parliament of New Zealand enacts as follows:

1 Title

This Act is the India Free Trade Agreement Legislation Amendment Act **2026**.

2 Commencement

- (1) This Act comes into force on a single date set by Order in Council.
- (2) An Order in Council made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

Part 1

Amendments to Dairy Industry Restructuring Act 2001

3 Principal Act

This Part amends the Dairy Industry Restructuring Act 2001.

4 Section 5 amended (Interpretation)

5

(1) In section 5(1), definition of **eligible participant**, paragraph (b), after “reserve export licences”, insert “and reserve albumin export licences”.

(2) In section 5(1), definition of **export licence**, after “reserve export licence”, insert “and a reserve albumin export licence”.

(3) In section 5(1), definition of **quota year**, paragraph (a), before “the European Union”, insert “India,”. 10

(4) In section 5(1), definition of **total export volume history**, replace “eligible participants and eligible reserve participants” with “eligible participants, eligible reserve participants, and eligible reserve albumin participants”.

(5) In section 5(1), insert in their appropriate alphabetical order: 15

albumin designated market means the tariff quota for albumins of New Zealand origin, as provided for in the TRQ on Albumins, paragraph 5, Section B, Annex 2A of the India FTA, including any amendment or any successor to that annex

albumin export licence means an export licence for the albumin designated market 20

albumin reserve portion means the portion of available albumin export licences that have been reserved under regulations made under **section 26AB**

eligible reserve albumin participant, in relation to the allocation of reserve albumin export licences, means a person who— 25

(a) is eligible to hold an albumin export licence; and

(b) based on their export volume history, is one of the following:

(i) a person who does not fall within the definition of eligible participant for the albumin designated market because they do not meet the criteria set out in paragraph (b) of that definition: 30

(ii) an eligible participant who is only entitled to receive a share of albumin export licences (not including reserve albumin export licences) that equates to a volume of less than 50 tonnes of albumins for the quota year that the participant is applying for

India FTA means 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 35

India Free Trade Agreement Legislation Amendment Bill	
Part 1 cl 5	
reserve albumin export licence means an albumin export licence that has been reserved under regulations made under section 26AB	
5 Cross-heading above section 24 replaced	
Replace the cross-heading above section 24 with:	
<i>Export licences</i>	5
6 Section 26AA amended (Reserve export licences)	
After section 26AA(3), insert:	
(3A) An eligible reserve participant who is allocated reserve export licences under clause 4(1)(b) or 5(1) of Schedule 5B must not transfer those reserve export licences under section 28A.	10
7 New section 26AB inserted (Reserve albumin export licences)	
After section 26AA, insert:	
26AB Reserve albumin export licences	
(1) For the purposes of this section, the definition of albumin export licence in section 5 does not include a reserve albumin export licence.	15
(2) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations that reserve 10% of albumin export licences per quota year for any eligible reserve albumin participants.	
(3) Before making a recommendation under subsection (2) , the Minister must be satisfied that—	20
(a) there is demand for reserve albumin export licences from eligible reserve albumin participants; and	
(b) there is evidence that eligible reserve albumin participants will be able to use those reserve albumin export licences; and	
(c) the proposal to reserve the albumin export licences is consistent with—	25
(i) the India FTA; and	
(ii) the purpose in section 21(1); and	
(d) consultation has been undertaken with holders of albumin export licences to ascertain—	
(i) the potential impact that reserving albumin export licences will have on their business; and	30
(ii) their views on the creation of an albumin reserve portion.	
(4) An eligible reserve albumin participant who is allocated reserve albumin export licences under clause 4(1)(c) or 6(1) of Schedule 5B must not transfer those reserve albumin export licences under section 28A.	35

- (5) Regulations made under this section are secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).

7A New section 26C inserted (Commencement of India FTA tariff quota)

After section 26B, insert:

26C Commencement of India FTA tariff quota 5

- (1) If the India FTA comes into force on a day other than 1 January in any year, an India FTA tariff quota must be applied in that year on a pro rata basis.
- (2) In this section, **India FTA tariff quota** means an India FTA tariff quota listed in Schedule 5A.

8 Section 27 amended (Quota compliance programmes) 10

In section 27(1), replace “eligible participants and eligible reserve participants” with “eligible participants, eligible reserve participants, and eligible reserve albumin participants”.

9 Section 29G amended (Power to require information)

- (1) In section 29G(1), after “eligible reserve participant,”, insert “eligible reserve albumin participant,”. 15

- (2) Replace section 29G(3) with:

- (3) An eligible participant, eligible reserve participant, eligible reserve albumin participant, or employee or agent of a participant may not refuse to answer a question under subsection (1) on the ground that the answer would be likely to incriminate the eligible participant, eligible reserve participant, or eligible reserve albumin participant. 20

- (3) In section 29G(4), replace “eligible participant or eligible reserve participant” with “eligible participant, eligible reserve participant, or eligible reserve albumin participant” in each place. 25

10 Section 29H amended (Power to audit export volume history)

In section 29H(1), replace “eligible participant or eligible reserve participant” with “eligible participant, eligible reserve participant, or eligible reserve albumin participant”.

11 Section 42 amended (Disclosure of information) 30

In section 42(2)(b), replace “eligible participant or eligible reserve participant” with “eligible participant, eligible reserve participant, or eligible reserve albumin participant”.

11A Schedule 1 amended

In Schedule 1,— 35

- (a) insert the Part set out in **Schedule 1AA** of this Act as the last Part; and

18 Regulation 85 amended (Definitions)

- (1) In regulation 85(1), insert in their appropriate alphabetical order:

India branch means a branch of an enterprise if the branch—

- (a) is located in the India territory; and
- (b) is carrying out business activities in the India territory

5

India enterprise means an enterprise that is constituted or organised under the law of India

India individual means a natural person who—

- (a) is a national of India; or
- (b) has the right of permanent residence in India as defined by subparagraph (ii) of the definition of natural person of a Party in Article 8.1(i) of the India FTA

10

India territory means the territory of India as defined by Article 1.2(q)(i) of the India FTA

- (2) In regulation 85(1A), after “**Hong Kong CEP**,” insert “**India FTA**,”.

15

19 Regulation 86 amended (Definition of ownership and control test)

- (1) In regulation 86(2)(b), replace “or a Hong Kong individual” with “a Hong Kong individual, or an India individual”.
- (2) In regulation 86(2)(c) and (da), replace “or a UAE individual” with “a UAE individual, or an India individual”.

20

20 Regulation 88 amended (Introduction to subpart 2 and interaction between regulations in Part 5)

After regulation 88(2)(i), insert:

- (j) Article 8.2 of the India FTA.

21 Regulation 92 amended (Definition of type 2 investor)

25

- (1) In regulation 92(1)(a)(i), replace “or a Hong Kong individual:” with “, a Hong Kong individual, or an India individual:”.
- (2) In regulation 92(1)(a)(ii), replace “or a Hong Kong enterprise” with “, a Hong Kong enterprise, or an India enterprise”.
- (3) In regulation 92(1)(a)(ii)(A) and (iii)(A), replace “or the Hong Kong area;” with “, the Hong Kong area, or the India territory;”.
- (4) In regulation 92(1)(a)(iii), replace “or a Hong Kong branch” with “, a Hong Kong branch, or an India branch”.
- (5) In regulation 92(3), definition of **commercial presence**, after “Hong Kong area”, insert “or the India territory”.

30

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Part 2 cl 22	
22 Regulation 94 amended (Definition of type 3 investor)	
(1) In regulation 94(1)(a)(i), replace “or a UAE individual” with “a UAE individual, or an India individual”.	
(2) In regulation 94(1)(a)(ii), replace “or a UAE enterprise” with “a UAE enterprise, or an India enterprise”.	5
(3) In regulation 94(1)(a)(ii)(A) and (iii)(A), replace “or the UAE territory” with “the UAE territory, or the India territory”.	
(4) In regulation 94(1)(a)(iii), replace “or a UAE branch” with “a UAE branch, or an India branch”.	
23 Regulation 96B amended (Definition of type 5 investor)	10
(1) In regulation 96B(1)(a)(i), replace “or a UAE individual” with “a UAE individual, or an India individual”.	
(2) In regulation 96B(1)(a)(ii), replace “or a UAE enterprise” with “a UAE enterprise, or an India enterprise”.	
(3) In regulation 96B(1)(a)(ii)(A) and (iii)(A), replace “or the UAE territory” with “the UAE territory, or the India territory”.	15
(4) In regulation 96B(1)(a)(iii), replace “or a UAE branch” with “a UAE branch, or an India branch”.	
24 Schedule 1AA amended	
In Schedule 1AA,—	20
(a) insert the Part set out in Schedule 2 of this Act as the last Part; and	
(b) make all necessary consequential amendments.	

Part 3

Amendments to Tariff Act 1988, Tariff, Customs and Excise Act 2018, and Customs and Excise Regulations 1996 25

Subpart 1—Amendments to Tariff Act 1988

25 Principal Act	
This subpart amends the Tariff Act 1988.	
26 Section 15A amended (Interpretation)	
(1) In section 15A, definition of free trade agreement , after paragraph (j), insert:	30
(k) the India FTA	
(2) In section 15A, insert in its appropriate alphabetical order:	

India FTA means 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

27 Section 15H amended (Provisional transitional safeguard measure)

In section 15H(1)(b)(ii), replace “or the EU FTA” with “the EU FTA, or the India FTA”. 5

Subpart 2—Amendments to Tariff

28 Principal legislation

This subpart, in accordance with section 9F(1) of the Tariff Act 1988, amends the Tariff. 10

29 Note 2 amended

In the notes to the Tariff, note 2, penultimate paragraph, after “HK,”, insert “IN,”.

30 Note 3 amended

In the notes to the Tariff, note 3, after the item relating to Hong Kong, China, insert: 15

India	IN
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31 Footnotes amended

In the Tariff, in each footnote, after “HK,”, insert “IN,”.

32 Part II Concessions amended

(1) In the Tariff, Part II Concessions, table, in the item relating to Concession Reference Number 66, after subsection (8), insert: 20

(9)	Goods re-entered after repair or alteration—	
(a)	in the territory of India; and	
(b)	in accordance with Article 2.13 of the IN FTA.	Free

(2) In the Tariff, Part II Concessions, table, in the item relating to Concession Reference Number 66, replace the item relating to DEFINITIONS with:

DEFINITIONS

In this concession—

EU FTA means the Free Trade Agreement between New Zealand and the European Union, done at Brussels on 9 July 2023:

IN FTA means 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:

UAE CEPA means the New Zealand–United Arab Emirates Comprehensive Economic Partnership Agreement, done at Abu Dhabi on 14 January 2025.

Subpart 3—Amendments to Customs and Excise Act 2018

33 Principal Act

This subpart amends the Customs and Excise Act 2018.

34 Section 435 amended (Certificates of origin)

- (1) After section 435(6)(d), insert: 5
- (e) 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 **India FTA**).
- (2) After section 435(7)(d), insert: 10
- (e) in relation to the India FTA, India.

Subpart 4—Amendment to Customs and Excise Regulations 1996

35 Principal regulations

This subpart amends the Customs and Excise Regulations 1996.

36 New regulation 51ZZP and cross-heading inserted

After regulation 51ZZO, insert: 15

Provisions relating to India

51ZZP Originating goods

- (1) Particular goods are treated for the purposes of the Act and the Tariff Act 1988 as being the produce or manufacture of India if the goods meet all applicable requirements set out in the following provisions of the India FTA: 20
- (a) Chapter 3 (Rules of Origin); and
- (b) Annex 3A (Product Specific Rules of Origin); and
- (c) Annex 3B (Certificate of Origin Template); and
- (d) Annex 3C (Origin Declaration Template).
- (2) In this regulation, **India FTA** means 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. 25

Part 4

India export quotas (apples, kiwifruit, and mānuka honey)

Subpart 1—Preliminary provisions

37 Purpose

The purpose of **this Part** is to implement New Zealand's obligations under the FTA by establishing a framework for a quota management system for each of the following:

- (a) apples:
- (b) kiwifruit:
- (c) mānuka honey. 10

38 Interpretation

In **this Part**, unless the context otherwise requires,—

apples—

- (a) means any fruit of any species of the genus *Malus*; and
- (b) includes any variety of a species of the genus *Malus* 15

enforcement officer means an enforcement officer (as defined in section 3(1) of the Search and Surveillance Act 2012) who is authorised under **section 63** of this Act

export certificate means an export certificate—

- (a) required by **section 48** to export a specified product to India under a quota management system; and 20
- (b) issued by a quota manager in accordance with regulations required by **section 49**

FTA means 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 25

India means the Republic of India

kiwifruit means the fruit of a kiwifruit vine

kiwifruit vine means a plant of the genus *Actinidia*

mānuka honey means honey that has been certified by the Ministry as being mānuka honey 30

Ministry means the Ministry for Primary Industries

quota allocation means a share of a quota for a specified product that the quota manager has, in accordance with the relevant quota management system, allocated to an exporter 35

quota holder means an exporter of a specified product to whom the quota manager has granted a quota allocation under a quota management system

quota management system means a quota management system that—

- (a) is established by regulations made under **section 69**; and
- (b) is operated by a quota manager

quota manager has the meaning set out in **section 41**

~~**quota year** means,—~~

- (a) ~~for the year in which **this Part** comes into force, the period starting on the day on which the FTA enters into force and ending on 31 December of that year; and~~
- (b) ~~for each subsequent year, the period starting on 1 January and ending on 31 December of that year~~

quota year—

- (a) has the meaning specified in regulations made under **section 69**, which may differ in relation to different specified products; or
- (b) if no such regulations are made, means,—
 - (i) for the year in which **this Part** comes into force, the period starting on the day on which the FTA enters into force and ending on 31 December of that year; and
 - (ii) for each subsequent year, the period starting on 1 January and ending on 31 December of that year

specified product means one of the following products:

- (a) apples:
- (b) kiwifruit:
- (c) mānuka honey.

39 Transitional, savings, and related provisions

The transitional, savings, and related provisions ~~(if any)~~ set out in **Schedule 3** have effect, for **this Part**, according to their terms.

40 Part binds the Crown

This Part binds the Crown.

Subpart 2—Quota management systems

41 Quota manager for each specified product

The **quota manager** for a specified product is—

- (a) the organisation named in regulations made under **section 69** as being the quota manager for the specified product; or

- (b) if no organisation has been named in regulations for the specified product, the Ministry.

42 Quota manager must operate quota management system

Each quota manager must—

- (a) operate a quota management system for the purpose of allocating and operating the quota under the FTA for the relevant specified product; and 5
- (b) in accordance with regulations required by **section 49**, issue export certificates.

43 Regulations must establish quota management system

- (1) Regulations made under **section 69** must establish a quota management system for 1 or more specified products under the FTA. 10

- (2) ~~Regulations that establish a quota management system for a specified product must specify the following:~~

- (a) ~~how the quota manager allocates the quota to exporters of the specified product who apply for a share of the quota (the **allocation methodology**):~~ 15
- (b) ~~the process for applicants to apply for a quota allocation of the specified product for a quota year:~~
- (c) ~~the notification requirements that apply to the quota manager (see **section 46**):~~ 20
- (d) ~~any other technical and administrative requirements for operating the quota management system.~~

- (2) Regulations that establish a quota management system for a specified product—

- (a) must specify the following: 25

- (i) how the quota manager allocates the quota to exporters of the specified product who apply for a share of the quota (the **allocation methodology**):

- (ii) the process for applicants to apply for a quota allocation of the specified product for a quota year; and 30

- (b) may require the quota manager to publicly notify the following information:

- (i) the name of each exporter to whom the quota manager has allocated a share of the quota:

- (ii) the amount of the quota it has allocated to each exporter; and 35

- (c) may specify any other technical and administrative requirements for operating the quota management system.

- (3) The allocation methodology must—

- (a) specify which exporters are eligible to apply for a quota allocation for a quota year; and
- (b) be an independent and transparent process for the quota manager to allocate the quota to applicants; and
- (c) be an annual process for the allocation of the quota for the specified product in a quota year; and 5
- (d) comply with the requirements set out in Annex 2A of the FTA.

44 Review of quota allocation decisions

- (1) Regulations made under **section 69** must establish a process by which an applicant for a quota allocation may seek a review of 1 or more of the following decisions made by the quota manager under the quota management system: 10
 - (a) a decision not to grant a quota allocation to the applicant:
 - (b) a decision as to the amount of the quota allocated to the applicant.
- (2) ~~However, regulations made to establish a process by which an applicant may seek a review of a quota manager's decision must not establish a process—~~ 15
 - (a) ~~to review a decision of the Ministry in its capacity as a quota manager; or~~
 - (b) ~~to review the allocation methodology that the quota manager used to make the decision to be reviewed.~~
- (2) However, regulations made to establish a process by which an applicant may seek a review of a quota manager's decision must not establish a process to review the allocation methodology that the quota manager used to make the decision to be reviewed. 20

45 Transfer or return of quota allocation

- (1) A quota holder must not transfer or return all or part of their quota allocation except as provided in regulations made under **section 69**. 25
- (2) Regulations made under **section 69** may specify the following:
 - (a) a process for a quota holder to transfer all or part of their quota allocation for a specified product to an exporter who is eligible to apply for a quota allocation of that specified product: 30
 - (b) a process for a quota holder to return any unused ~~portion of their quota allocation during a quota year to the quota manager for reallocation:~~
 - (e) ~~if a process for returning unused quota allocation is specified, a process for the quota manager to reallocate the returned portion of the quota allocation to 1 or more other applicants.~~ 35
 - (c) if a process for returning unused quota allocation is specified,—
 - (i) a requirement that a quota holder return any unused quota allocation to the quota manager for reallocation:

- (ii) a date by which a quota holder must return their unused quota allocation to the quota manager for reallocation:
 - (iii) a process for the quota manager to reallocate the returned unused quota allocation to 1 or more other applicants.
- (3) If regulations require a quota holder to return any unused quota allocation, the regulations may also— 5
 - (a) provide that the quota manager may, when allocating quota to an exporter in a quota year (**quota year 2**), consider whether the exporter complied with the requirement in the previous quota year (**quota year 1**); and 10
 - (b) if the exporter did not comply with the requirement in quota year 1, provide—
 - (i) that the quota manager may reduce the amount of quota that is allocated to the exporter in quota year 2; and
 - (ii) how the quota manager determines the amount of such a reduction; and 15
 - (iii) that the quota manager has a discretion not to reduce a quota allocation in quota year 2 if the quota manager is satisfied that exceptional circumstances exist.
- (4) In this section, **unused quota allocation** means, in relation to a quota holder, any portion of their quota allocation that the quota holder— 20
 - (a) has not used; and
 - (b) does not intend to use.
- 46 Quota manager's notification requirements**
- (1) A quota manager must provide notice ~~in the *Gazette* and~~ on the quota manager's internet site of the following matters for the purposes of exporters applying for quota allocations: 25
 - (a) the first and last days on which an applicant may apply for a quota allocation:
 - (b) where and how an applicant makes an application: 30
 - (c) the information that an applicant must include with their application:
 - (d) any criteria that an applicant must ensure that their application complies with:
 - (e) any procedural requirements that an applicant must comply with:
 - (f) any other matters required by regulations made under **section 69**. 35
- (2) A quota manager must notify an applicant for a quota allocation of the following matters in relation to quota allocations:

- (a) the quota manager's decisions regarding whether it grants a quota allocation to the applicant:
- (b) if the applicant's application is successful, the amount of the quota that the quota manager has allocated to the applicant:
- (c) the applicant's rights, if any, to seek a review of the quota manager's decisions described in **paragraphs (a) and (b)** (*see section 44*): 5
- (d) the latest date by which the applicant may seek a review of the quota manager's decisions:
- (e) any other matters required by regulations made under **section 69**.
- (3) A quota manager must give the notice under **subsection (2)** in writing as soon as practicable after deciding the quota allocations. 10

47 Quota managers must provide information to India authority

- (1) For the purpose of fulfilling New Zealand's obligations under the FTA, a quota manager must provide the India authority with information relating to quota allocations and export certificates under **this Part**. 15
- (2) A quota manager must provide the information—
 - (a) in a format agreed with the India authority; and
 - (b) quarterly or as otherwise agreed between the quota manager and the India authority.
- (3) In this section, **India authority** means the entity nominated by India to receive the information provided by quota managers under this section. 20

Compare: 2022 No 60 s 23

Subpart 3—Exporting specified products under quota management system

48 Requirements to export under quota management system 25

A person must not export a specified product to India under a quota management system unless—

- (a) the person has a quota allocation granted by the quota manager for the specified product; and
- (b) the person has an export certificate issued by the quota manager for the specified product; and 30
- (c) the export complies with—
 - (i) the requirements stated in the export certificate; and
 - (ii) any other applicable requirements of the quota management system. 35

Export certificates

49 Export certificates

- (1) Regulations made under **section 69** must provide for a system by which a quota manager issues an export certificate.
- (2) The system must provide for the quota manager to issue an export certificate to a quota holder only in respect of the specified product that the quota holder exports under a quota allocation granted by the quota manager under **this Part**. 5
- (3) Regulations made for the purposes of **subsection (1)** must, at a minimum, specify— 10
 - (a) how a quota holder may apply for an export certificate; and
 - (b) the information that a quota holder must provide to the quota manager in an application for an export certification; and
 - (c) the information that an export certificate must contain; and
 - (d) the date by which the quota manager must— 15
 - (i) issue an export certificate; or
 - (ii) refuse to issue an export certificate.
- (4) A quota manager must issue an export certificate to a quota holder who applies for an export certificate only if—
 - (a) the quota manager has granted the applicant a quota allocation for the relevant specified product; and 20
 - (b) the applicant has a sufficient quota allocation available for the quota year; and
 - (c) the applicant has complied with the prescribed requirements for making an application for an export certificate. 25
- (5) **Subsection (4)** is subject to **section 50**.

50 Quota manager may cancel, suspend, or refuse to issue export certificate

- (1) A quota manager may, if satisfied that 1 or more of the circumstances set out in **subsection (2)** exist,—
 - (a) cancel or suspend a person's export certificate; or 30
 - (b) refuse to issue an export certificate to a person.
- (2) The circumstances are as follows:
 - (a) the person has exported the relevant specified product to India under the quota management system, but—
 - (i) without a quota allocation for the specified product; or 35
 - (ii) in excess of their quota allocation for the specified product; or
 - (iii) without an export certificate for the specified product:

- (b) the person fails to provide information to the quota manager when required to do so under **section 53**:
- (c) the person fails to pay any fee payable under **section 65** by the required date:
- (d) the person knowingly gives false or misleading information when required or requested to provide information under **this Part**. 5
- (3) If the quota manager cancels, suspends, or refuses to issue an export certificate under **subsection (1)**, the quota manager must, by written notice, inform the person of the following:
 - (a) that the quota manager has decided to take the action specified in the notice; and 10
 - (b) the reasons for the quota manager taking the action specified in the notice; and
 - (c) the person's right to seek a review of the quota manager's decision; and
 - (d) that, if the person wishes to seek a review, they must do so within 10 working days after the date of the notice of the quota manager's decision. 15

51 Review of decision to cancel, suspend, or refuse to issue export certificate

- (1) If a quota manager decides to cancel or suspend a person's export certificate, or to refuse to issue an export certificate to a person, the person may seek a review of the quota manager's decision. 20
- (2) A person who seeks a review of the quota manager's decision must do so—
 - (a) by written ~~notice~~ application to the quota manager; and
 - (b) within 10 working days after the date of the quota manager's notice to the person under **section 50(3)**. 25
- (3) If a person ~~seeks~~ applies for a review, the quota manager must as soon as practicable appoint a person or body to review the quota manager's decision (the **reviewer**).
- (4) A reviewer must—
 - (a) not have been involved in making the decision being reviewed; and 30
 - (b) having reviewed the decision, determine whether to confirm or withdraw the decision being reviewed; and
 - (c) ~~within the prescribed time frame (if any)~~ 15 working days after the quota manager receives the review application, give the person who ~~sought~~ applied for the review written notice of the reviewer's determination. 35
- (5) The written notice of a reviewer's determination must specify the reasons for the determination.
- (6) The quota manager must, as soon as practicable after receiving a reviewer's determination, give full effect to the determination (which may include, for

example, issuing or reissuing an export certificate or reversing the suspension of an export certificate).

52 Appeal against review decision

A person who is dissatisfied with a decision of a reviewer under **section 51** may, within 20 working days after the reviewer gives notice of their determination, appeal to the High Court against the determination. 5

Subpart 4—General provisions

Information gathering, collection, and sharing

53 Quota manager may gather information

- (1) A quota manager may require the following parties to provide information to the quota manager: 10
 - (a) a quota holder:
 - (b) an applicant for a quota allocation.
- (2) A quota manager may require the information only for 1 or more of the following purposes: 15
 - (a) assessing applications for quota allocations:
 - (b) determining whether to grant quota allocations:
 - (c) administering the quota management system:
 - (d) monitoring and enforcing compliance with—
 - (i) **this Part:** 20
 - (ii) regulations made under **this Part:**
 - (iii) the relevant parts of the FTA.

53A Information collection and retention

- (1) This section applies to— 25
 - (a) each quota holder; and
 - (b) each quota manager.
- (2) A person to whom this section applies must collect and retain records that demonstrate the person's compliance with—
 - (a) **this Part;** and
 - (b) any regulations made under **this Part**; and 30
 - (c) the FTA.
- (3) Regulations made under **section 69** may specify the following:
 - (a) the length of time for which a person must retain the records:
 - (b) the method by which a person must retain the records:

- (c) the format in which a person must retain the records.
- (4) For the purposes of this section, **records** includes commercially sensitive information.
- 54 Information sharing**
- (1) The following parties (the **parties**) may share information with each other for the purposes of **this Part**: 5
- (a) the Ministry (whether in its capacity as a quota manager or otherwise):
 - (b) each quota manager:
 - (c) the New Zealand Customs Service.
- (2) Without limiting **subsection (1)**, the parties may share information for the following purposes: 10
- (a) complying with **this Part**:
 - (b) enforcing compliance with **this Part**:
 - (c) providing advice to the Minister for the purposes of the Minister considering whether New Zealand is fulfilling its obligations under the FTA. 15
- (3) The parties must ensure that appropriate protections are or will be in place to maintain the confidentiality of information shared under this section.
- (4) The parties may share commercially sensitive information with each other under this section.
- (5) Information shared under **subsection (1)** must not include any personal information unless the information relates to a sole trader who applies for a quota allocation. 20

Conflicts of interest

- 55 Quota manager must manage conflicts of interest**
- (1) This section applies to the following parties (the **parties**): 25
- (a) a quota manager, ~~other than the Ministry~~:
 - (b) any other person who is involved in making decisions relating to quota allocation, export certificates, compliance with **this Part**, or enforcement under **this Part**.
- (2) Each of the parties must— 30
- (a) have a process for managing its conflicts of interest; and
 - (b) manage its conflicts of interest in accordance with the process.
- (3) The process must require the relevant party to—
- (a) identify any actual, potential, or perceived conflicts of interest that arise from the party's governance, ownership, staffing, or operational arrangements; and 35

- (b) take reasonable steps to avoid, mitigate, or manage those conflicts of interest; and
 - (c) ensure that those conflicts of interest do not adversely affect the integrity, independence, or transparency of the party's decisions under **this Part**. 5
- (4) Regulations made under **section 69** may specify additional technical or operational requirements that a party must include in its process under **subsection (2)**.

Audits

56 Quota manager may audit quota holder 10

- (1) A quota manager may audit a quota holder's compliance with the following:
- (a) **this Part**:
 - (b) regulations made under **this Part**:
 - (c) relevant obligations under the FTA.
- (2) When auditing a quota holder, the quota manager must follow a process prescribed in regulations made under **section 69**. 15

57 Minister may commission audit of quota manager

- (1) The Minister may commission an audit of a quota manager's compliance with the following:
- (a) **this Part**: 20
 - (b) regulations made under **this Part**:
 - (c) relevant obligations under the FTA.
- (2) When commissioning an audit of a quota manager, the Minister must follow a process prescribed in regulations made under **section 69**.
- (3) The Minister may commission an audit of a quota manager ~~only~~— 25
- (a) in the year starting on the third anniversary of the date on which this section comes into force; and
 - (b) in the year starting on the sixth anniversary of the date on which this section comes into force; and
 - (c) in every fifth year after the year described in **paragraph (b)**; and 30
 - (d) at any other time if the Minister believes that the quota manager has failed, or is failing, to comply with 1 or more of the following:
- (i) **this Part**:
 - (ii) regulations made under **this Part**:
 - (iii) relevant obligations under the FTA. 35

- (4) The Minister must publish a summary of the findings of an audit by a date prescribed in regulations made under **section 69**.

58 Requirement to provide information for audit purposes

If a quota holder or a quota manager is being audited under **section 56 or 57**, it must provide the auditor with records, documents, or other information that the auditor reasonably requires for the purposes of the audit. 5

Offences, penalties, and proceedings

59 Offences

- (1) A person commits an offence if the person—
- (a) exports a specified product to India under the quota management system without a quota allocation for the specified product; or 10
 - (b) exports a specified product to India under the quota management system in excess of their quota allocation for the specified product; or
 - (c) exports a specified product to India under the quota management system without an export certificate for the specified product; or 15
 - (d) with intent to deceive, gives false or misleading information, or makes a material omission, when required or requested to provide information under **this Part**.
- (2) A person who commits an offence—
- (a) against **subsection (1)(a), (b), or to (c)** is liable on conviction to a fine not exceeding \$200,000; 20
 - (b) against **subsection (1)(d)** is liable on conviction to a fine not exceeding \$10,000.

Compare: 2022 No 60 s 30

60 Strict liability 25

In any proceedings for an offence under **section 59(1)(a), (b), or to (c)**, it is not necessary for the prosecution to prove that the defendant intended to commit the offence.

Compare: 2022 No 60 s 31

61 Defence available 30

- (1) It is a defence in any proceedings for an offence under **section 59(1)(a), (b), or (c)** if the defendant proves that—
- (a) the contravention was due to an event or a cause beyond the defendant's control, including, but not limited to,—
 - (i) a natural disaster; or 35
 - (ii) mechanical or equipment failure; or

- (iii) sabotage; and
- (b) the defendant took all reasonable steps to prevent the contravention.
- (2) A defendant is not entitled to rely on any event or cause referred to in **subsection (1)(a)** as part of a defence under this section unless—
 - (a) they have served on the prosecutor notice in writing identifying the event or cause relied on; and 5
 - (b) the notice is served no later than 10 working days before the date on which the hearing of the proceedings commences.
- (3) **Subsection (2)** does not apply if the defendant has leave of the court to rely on the event or cause. 10

Compare: 2022 No 60 s 32

62 **Powers of search and seizure inspection to investigate offence**

- (1) An issuing officer (as defined in section 3(1) of the Search and Surveillance Act 2012) may issue a search warrant, on an application made in the manner provided in subpart 3 of Part 4 of the Search and Surveillance Act 2012 by an enforcement officer, to the enforcement officer to an authorised person, or a constable, authorising them— 15
 - (a) to search any of the following, as specified in the warrant:—
 - (i) any place where a specified product is held or is likely to be held (including any place that is not a place of business); ~~or~~ 20
 - (ii) any place where documents relating to a specified product are held or are likely to be held (including any place that is not a place of business); ~~or~~
 - (iii) any vehicle, aircraft, or ship; and
 - (b) to copy any document, or part of a document, relating to a specified product found at that place, vehicle, aircraft, or ship; and 25
 - (c) to seize any computer system or other data storage device in order to access any document, or part of a document, relating to a specified product that may be stored on that device; and;
 - (d) to seize any documents relating to a specified product. 30
- (2) An issuing officer may issue the search warrant if satisfied that there are reasonable grounds to believe that—
 - (a) an offence against **this Part** has been, is being, or is intended to be committed; and
 - (b) there is evidential material in relation to the offence on or in the place, vehicle, aircraft, or ship. 35
- (3) Part 4 of the Search and Surveillance Act 2012 (other than sections 118, 119, 123B, 123C, 123D, and 123E) applies to anything done by an enforcement officer under this section.

- (4) An enforcement officer who is exercising a power of search must, so far as is practicable in the circumstances, have regard to the culture of the place in which they exercise the power.

Compare: 2022 No 60 s 29

63 Enforcement officers ~~Authorised persons~~ 5

- (1) The ~~chief executive of the Ministry or a quota manager~~ may authorise suitably qualified and trained individuals to execute a search warrant issued under **section 62**.

- (2) An authorisation must—

- (a) be made in writing; and 10
- (b) state that it is made under this section; and
- (c) set out the following:
 - (i) the name of the individual:
 - (ii) the purposes for which the authorisation is given:
 - (iii) the duration of the authorisation (which may be until it is 15
revoked).

Compare: 2022 No 60 s 28

64 ~~Protection of authorised persons~~

- (1) ~~An authorised person who does any act or omits to do any act in exercising a power conferred on them under this Part is not under any civil or criminal liability in respect of the act or omission.~~ 20

- (2) **Subsection (1)** ~~applies unless the person has acted, or omitted to act, in bad faith or without reasonable cause.~~

Compare: 2022 No 60 s 37

Recovery of costs 25

65 Regulations may provide for fees to recover quota managers' costs

- (1) Regulations made under **section 69** may do either or both of the following:

- (a) set a fee payable to the relevant quota manager by either or both of the following:
 - (i) applicants for a quota allocation: 30
 - (ii) quota holders:
- (b) authorise a quota manager to set a fee that is payable to the quota manager by either or both of the following:
 - (i) applicants for a quota allocation:
 - (ii) quota holders. 35

- (2) Any regulations made for the purposes of **subsection (1)(b)** must specify—

-
- (a) that the quota manager must set the fee by notice in writing; and
 - (b) the matters in relation to which the quota manager may set the fee; and
 - (c) a methodology that the quota manager must follow to set the fee; and
 - (d) ~~a maximum level at which the quota manager may set the fee; and~~
 - (e) a transparent fee-setting process that ~~must include a requirement for the~~ 5
~~quota manager—~~
 - (i) must include a requirement for the quota manager to follow the process when setting fees; and
 - (ii) must include a requirement for the quota manager to consult applicants for a quota allocation and quota holders before setting the fee; and 10
 - (ia) may include a requirement for the quota manager to consult potential applicants for quota allocations before setting the fee; and
 - (iii) must include a requirement for the quota manager to notify payers of the fee being imposed; and 15
 - (f) the accounting and reporting requirements that the quota manager must comply with in relation to—
 - (i) the revenue received from the fee; and
 - (ii) the expenditure of the revenue received from the fee. 20
- (2A) Any regulations made for the purposes of **subsection (1)(b)** may specify a maximum level at which the quota manager may set the fee.
- (3) Fees set under **subsection (1)** must be solely for the purpose of recovering the costs of administering the quota management system, including—
- (a) the cost of granting quota allocations; and 25
 - (b) the cost of issuing export certificates; and
 - (c) the cost of monitoring compliance with **this Part** and relevant obligations under the FTA; and
 - (d) any other costs associated with administering the quota management system. 30
- (4) Fees set under **subsection (1)** must—
- (a) be fair and reasonable; and
 - (b) provide sufficient funding for the quota manager to perform its function as a quota manager.
- (5) Any regulations made for the purposes of **subsection (1)** may authorise the 35
 quota manager to refund or waive, in whole or in part, and on any conditions that may be prescribed, payment of a fee payable by any person or class of persons.

- (6) If regulations authorise the quota manager to refund or waive a fee,—
 - (a) the instrument granting the refund or waiver is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only to 1 or more named persons; and
 - (b) the regulations must contain a statement to that effect. 5
- (7) Before recommending regulations for the purposes of **subsection (1)**, the Minister must be satisfied that,—
 - (a) in the case of regulations for the purposes of **subsection (1)(a)**, the recommended fees—
 - (i) will provide sufficient funding for the quota manager to perform its function as a quota manager; and 10
 - (ii) the recommended fees are consistent with the FTA; and
 - (b) in the case of regulations for the purposes of **subsection (1)(a) or (b)**, there has been adequate consultation with any quota holders and potential applicants for quota allocations and export certificates. 15
- (8) If regulations for the purposes of **subsection (1)(b)** authorise a quota manager to set a fee,— ~~the notice setting the fee is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).~~
 - (a) the notice setting the fee is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements); and 20
 - (b) the regulations must contain a statement to that effect.

66 Regulations may provide for levies to fund co-operation activities under FTA

- (1) Regulations made under **section 69** may—
 - (a) set a levy that is payable to the relevant quota manager by quota holders for the purpose of funding— 25
 - (i) the cost of performing functions required by, or associated with, co-operation activities under the FTA; and
 - (ii) the administrative costs associated with, or required by, co-operation activities under the FTA; and 30
 - (iii) the quota manager's costs associated with administering the levy; or
 - (b) authorise a quota manager to set a levy that is payable to the quota manager by quota holders for the purpose of recovering the costs described in **paragraph (a)**. 35
- (2) Any regulations made for the purposes of **subsection (1)(b)** must specify—
 - (a) that the quota manager must set the levy by notice in writing; and
 - (b) the matters in relation to which the quota manager may set the levy; and

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- (c) a methodology that the quota manager must follow to set the levy; and
 - (d) a maximum level at which the quota manager may set the levy; and
 - (e) a process that the quota manager must follow to set the levy, which process must—
 - (i) be transparent; and 5
 - (ii) require the quota manager, before setting the levy, to consult the Ministry and any person in New Zealand who is responsible for performing a co-operation activity; and
 - (iii) require the quota manager to notify payers of the levy being imposed; and 10
 - (f) the accounting and reporting requirements that the quota manager must comply with in relation to—
 - (i) the revenue received from the levy; and
 - (ii) the expenditure of the revenue received from the levy.
 - (3) A levy set under this section must be set at a level that is no greater than is required to cover the costs described in **subsection (1)(a)**. 15
 - (4) Any regulations made for the purposes of **subsection (1)** may authorise the quota manager to refund or waive, in whole or in part, and on any conditions that may be prescribed, payment of a levy payable by any person or class of persons. 20
 - (5) If regulations authorise the quota manager to refund or waive a levy,—
 - (a) the instrument granting the refund or waiver is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements), unless it applies only to 1 or more named persons; and
 - (b) the regulations must contain a statement to that effect. 25
 - (6) Before recommending regulations for the purposes of this section, the Minister must be satisfied that—
 - (a) there has been adequate consultation with quota holders and potential levy payers; and
 - (b) the recommended levies are consistent with the FTA. 30
 - (7) In this section, **co-operation activities** means co-operation activities required under,—
 - (a) in relation to apples, paragraph 3(g) of Section B of Annex 2A of the FTA:
 - (b) in relation to kiwifruit, paragraph 4(g) of Section B of Annex 2A of the FTA: 35
 - (c) in relation to mānuka honey, paragraph 6(h) of Section B of Annex 2A of the FTA.

- (8) If regulations for the purposes of **subsection (1)(b)** authorise a quota manager to set a levy, ~~the notice setting the levy is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements).~~
- (a) the notice setting the levy is secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements); and 5
- (b) the regulations must contain a statement to that effect.
- 67 Quota manager may refuse to act if fee or levy not paid**
- A quota manager may refuse to perform or exercise a function, power, or duty until (as applicable)—
- (a) a fee prescribed in regulations made for the purposes of **section 65(1)(a)** is paid; or 10
- (b) a fee set by the quota manager under regulations made for the purposes of **section 65(1)(b)** is paid; or
- (c) a levy prescribed in regulations made for the purposes of **section 66(1)(a)** is paid; or 15
- (d) a levy set by the quota manager under regulations made for the purposes of **section 66(1)(b)** is paid.
- 68 Fees and levies recoverable as debt due**
- A quota manager may recover in any court of competent jurisdiction as a debt due any fee or levy that is payable to it under regulations made for the purposes of **section 65 or 66** (as applicable). 20

Regulations and other matters

- 69 Regulations**
- (1) The Governor-General may, by Order in Council, on the recommendation of the Minister, make regulations for all or any of the following purposes: 25
- (a) providing for anything **this Part** says may or must be provided for by regulations:
- (b) providing for anything incidental that is necessary for carrying out, or giving full effect to, **this Part**.
- (2) Before making a recommendation under **subsection (1)** for regulations for one of the following purposes to name a quota manager for a specified product (see ~~section 41(a)~~), the Minister must consult stakeholders that the Minister considers to be relevant;: 30
- (a) to name a quota manager for a specified product (see **section 41(a)**):
- (b) to establish a quota management system (see **section 43**). 35
- (3) Regulations made under this section are secondary legislation (see Part 3 of the Legislation Act 2019 for publication requirements).

70 Exclusion of liability

- (1) Neither the Crown nor a quota manager is liable to any person for any loss or damage arising from any matter that is beyond the Crown's or the quota manager's control.
- (2) Matters that are beyond the control of the Crown or a quota manager include, 5
without limitation,—
 - (a) a decision made by India that relates to access to India of a specified product:
 - (b) a reduction in the value of quota allocations, however caused.

71 Notices and authorisations

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A quota manager may give a person a written notice or an authorisation under **this Part** by—

- (a) delivering or leaving it at the person's last known home or work address; or
- (b) emailing it to the person at their last known personal or work email 15
address.

Compare: 2022 No 60 s 40

Consequential amendment to Search and Surveillance Act 2012

71A Principal Act

Section 71B amends the Search and Surveillance Act 2012.

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71B Schedule 2 amended

In Schedule 2, after the item relating to the Immigration Advisers Licensing Act 2007, insert:

India Free Trade Agreement Legislation Amendment Act 2026	62	Enforcement officer may obtain and execute search warrant to search for evidence of offence against India Free Trade Agreement Legislation Amendment Act 2026	All (except sections 118, 119, 123B, 123C, 123D, and 123E)
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Consequential amendment to Kiwifruit Export Regulations 1999

72 Principal regulations

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Section 73 amends the Kiwifruit Export Regulations 1999.

73 Regulation 33 amended (Functions)

After regulation 33(1)(d), insert:

- (e) to be a quota manager for kiwifruit under **Part 4 of the India Free Trade Agreement Legislation Amendment Act 2026**, if appointed to that role by regulations made under **section 69** of that Act.

Schedule 1AA

**New Part 3 inserted into Schedule 1 of Dairy Industry Restructuring
Act 2001**

s 11A

Part 3

5

**Provision relating to India Free Trade Agreement Legislation
Amendment Act 2026**

8 Consultation undertaken before commencement date

- (1) Any consultation undertaken before the commencement date that is of the kind referred to in **section 26AB(3)(d)** must be treated as consultation required for the purposes of that section.
- (2) In this clause, **commencement date** means the date on which this Part comes into force.

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Schedule 1
Schedule 5B of Dairy Industry Restructuring Act 2001 replaced

s 13

Schedule 5B	
Rules for allocation of export licences to multiple participants for designated markets in Schedule 5A	
	ss 26(3), 27
1 Notification of application dates	
(1) The Minister must provide notice in the <i>Gazette</i> of the dates on which applications for export licences for a quota year will open and close.	5 10
(2) The <i>Gazette</i> notice under subclause (1) must also specify the applicable Tariff headings that must be used for that quota year when submitting export volume history under clause 2 .	
2 Application requirements	
(1) Each eligible participant must submit their export volume history for each designated market for which they are seeking an export licence, including if they are also seeking either or both of the following:	15
(a) any reserve export licences as an eligible reserve participant:	
(b) any reserve albumin export licences as an eligible reserve albumin participant.	20
(2) The eligible participant must submit the history to the chief executive (or a person authorised by the chief executive) by statutory declaration (as set out in Schedule 5C).	
(3) Each eligible reserve participant who does not have any export volume history (and therefore has not submitted any data under subclause (1)) must submit a statutory declaration in accordance with subclause (2) , confirming that they do not have any export volume history in each designated market for which they are seeking a reserve export licence.	25
(4) Each eligible reserve albumin participant who does not have any export volume history (and therefore has not submitted any data under subclause (1)) must submit a statutory declaration in accordance with subclause (2) , confirming that they do not have any export volume history in the albumin designated market.	30
(5) If an eligible participant, eligible reserve participant, or eligible reserve albumin participant relies on an agent (for example, a freight forwarder or consolidator) to export their products, the following statutory declarations must also be submitted in accordance with subclause (2) :	35

	(a) a statutory declaration by the participant confirming their business relationship with the agent; and (b) a statutory declaration by the agent, or by each agent if there is more than 1,— (i) confirming their business relationship with the participant; and (ii) confirming that the data being submitted by the participant under subclause (1) accurately records what the agent exported for the participant.	5
3	Specific Tariff headings for certain designated markets	
(1)	The following specific Tariff headings must be used for the purposes of calculating export volume history and total export volume history before allocating export licences to the following designated markets: (a) for the Japan prepared edible fat market, the Minister must use Tariff heading 0405: (b) for the European Union dairy processed agricultural products and high protein whey market, the Minister must use Tariff heading 0404.	10 15
(2)	If a Tariff heading published under clause 1(2) conflicts with the Tariff headings listed in this clause, the Tariff headings in this clause prevail.	
4	Allocations	
(1)	Subject to this clause and clauses 5 and 6 (as applicable), the Minister must allocate export licences for each designated market listed in Schedule 5A,— (a) excluding any reserve export licences and reserve albumin export licences, proportionately to eligible participants based on their percentage of the total export volume history, as submitted under clause 2(1), up to the maximum number each participant has applied for or is eligible for; and (b) if a portion of export licences have been reserved under regulations made under section 26AA, to eligible reserve participants up to the maximum number each participant has applied for or is eligible for; and (c) if a portion of albumin export licences have been reserved under regulations made under section 26AB, to eligible reserve albumin participants up to the maximum number each participant has applied for or is eligible for.	20 25 30
(2)	Unless section 27A applies, the maximum number of export licences that the Minister can allocate to an eligible reserve participant is the number that equates to a volume of 200 tonnes of the product in a designated market, whether that is— (a) through a combination of allocations under subclause (1)(a) and (b); or	35

	(b) allocations made only under subclause (1)(b) .	
	Example Under subclause 2(a) , if an eligible participant is eligible for export licences to export 30 tonnes of the relevant product based on their export volume history, then they may also be allocated (as an eligible reserve participant) further export licences from the reserve portion up to an additional 170 tonnes of the product so that their total export licences equate up to 200 tonnes of the relevant product.	5
(3)	Unless section 27A applies, the maximum number of albumin export licences that the Minister can allocate to an eligible reserve albumin participant is the number that equates to a volume of 50 tonnes of albumins in the albumin designated market, whether that is—	10
	(a) through a combination of allocations under subclause (1)(a) and (c) ; or	
	(b) allocations made only under subclause (1)(c) .	
	Example Under subclause (3)(a) , if an eligible participant is eligible for albumin export licences to export 30 tonnes of albumins based on their export volume history, then they may also be allocated (as an eligible reserve albumin participant) further albumin export licences from the albumin reserve portion up to an additional 20 tonnes of albumins so that their total albumin export licences equates up to 50 tonnes of albumins.	15 20
(4)	Export licences may only be used for products for which the dairy components are derived only from New Zealand origin milk.	
(5)	The Minister must allocate export licences—	
	(a) for a period of 1 quota year; and	25
	(b) before the commencement of that quota year.	
5	Excess or shortfall in reserve export licences applications	
(1)	If applications for reserve export licences exceed the number of export licences available under the reserve portion, the Minister must allocate the reserve export licences equally between the eligible reserve participants, up to the maximum number each participant has applied for or is eligible for.	30
	Example There are 100 reserve export licences available for allocation. Three people apply for 20 reserve export licences each and 7 people apply for 7 reserve export licences each. That is a total of 109 reserve export licences applied for, which exceeds the number available. An even split would give each participant 10 reserve export licences. However, because 7 people have applied for only 7 reserve export licences, that means they can only be allocated 7 licences each (using 49 of the 100 reserve export licences available).	35 40

	This leaves 51 reserve export licences, which are then split equally between the other 3 participants. Those 3 participants would receive 17 reserve export licences each. Although they had applied for 20 reserve export licences each, there are not enough reserve export licences to meet the full number they applied for.	
(2)	If there are excess reserve export licences after the Minister has allocated the reserve export licences under clause 4(1)(b) , the Minister must allocate the excess reserve export licences proportionately to eligible participants as though the excess were being allocated under clause 4(1)(a) .	5
6	Excess or shortfall in reserve albumin export licences applications	
(1)	If applications for reserve albumin export licences exceed the number of albumin export licences available under the reserve albumin portion, the Minister must allocate the reserve albumin export licences equally between the eligible reserve albumin participants, up to the maximum number each participant has applied for or is eligible for.	10
	Example	15
	There are 100 reserve albumin export licences available for allocation.	
	Three people apply for 20 reserve albumin export licences each and 7 people apply for 7 reserve albumin export licences each. That is a total of 109 reserve albumin export licences applied for, which exceeds the number available.	
	An even split would give each participant 10 reserve albumin export licences. However, because 7 people have applied for only 7 reserve albumin export licences, that means they can only be allocated 7 licences each (using 49 of the 100 reserve albumin export licences available).	20
	This leaves 51 reserve albumin export licences, which are then split equally between the other 3 participants. Those 3 participants would receive 17 reserve albumin export licences each. Although they had applied for 20 reserve albumin export licences each, there are not enough reserve albumin export licences to meet the full number they applied for.	25
(2)	If there are excess reserve albumin export licences after the Minister has allocated the reserve albumin export licences under clause 4(1)(c) , the Minister must allocate excess reserve albumin export licences proportionately to eligible participants as though the excess were being allocated under clause 4(1)(a) .	30
7	Notification of allocations	
	The Minister must ensure that all allocations of export licences are notified in the <i>Gazette</i> .	35

Schedule 2
**New Part 15 inserted into Schedule 1AA of Overseas Investment
Regulations 2005**

s 24

Part 15		5
Provisions relating to India Free Trade Agreement Legislation Amendment Act 2026		
33	Application	
	The amendments made by the India Free Trade Agreement Legislation Amend- ment Act 2026 apply only to the acquisition of rights or interests in securities or of other property, or the establishment of any business, after the commence- ment of that Act.	10
34	No refunds	
	No person is entitled to a refund of any fee or charge paid to the regulator for a matter under Schedule 2 on the ground that the amendments made by the India Free Trade Agreement Legislation Amendment Act 2026 mean that the matter is no longer relevant (for example, that a consent that had been applied for is no longer required).	15

Schedule 3
Transitional, savings, and related provisions for Part 4

s 39

Part 1
Provisions relating to this Part as enacted

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~~There are no transitional, savings, or related provisions relating to **this Part** as enacted.~~

1 Consultation undertaken before commencement date

- (1) Any consultation undertaken before the commencement date that is of the kind referred to in **section 65(7)(b), 66(6)(a), or 69(2)** must be treated as consultation required for the purposes of that section. 10
- (2) In this clause, **commencement date** means the date on which this schedule comes into force.

2 Regulations may provide for pro rata quota allocation in first year

- (1) This clause applies— 15
- (a) if this schedule comes into force on a day other than 1 January in any year (the **commencement date**); and
- (b) in the period—
- (i) starting on the commencement date; and
- (ii) ending on 31 December in the same year as the commencement date. 20
- (2) Regulations made under **section 69** to establish a quota management system may provide for the quota manager for a specified product to allocate the quota on a pro rata basis, taking into account the number of days in the period described in **subclause (1)(b)**. 25

Legislative history

22 June 2026
25 June 2026

Introduction (Bill 327–1)
First reading and referral to Foreign Affairs, Defence and Trade
Committee