

Tariff (Malaysia Free Trade Agreement) Amendment Bill

Government Bill

Explanatory note

General policy statement

This Bill amends the Tariff Act 1988 to implement a free trade agreement, namely the Malaysia–New Zealand Free Trade Agreement done at Kuala Lumpur, Malaysia, on 26 October 2009 (the **Malaysia FTA**). The Malaysia FTA will also be implemented by regulations, which will amend—

- the Tariff to enable the application of preferential tariff rates for imports originating from Malaysia; and
- the Customs and Excise Regulations 1996 to give effect to the rules of origin applicable to imports originating from Malaysia.

The Bill's amendments will enable transitional safeguard measures to be applied in appropriate circumstances to imports originating from Malaysia.

Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 provides for the Bill to come into force on a date appointed by Order in Council. This is in order to co-ordinate the Bill's com-

mencement with the entry into force, at the international level, of the Malaysia FTA.

Clause 3 states that the principal Act being amended in this Bill is the Tariff Act 1988.

The Bill's amendments affect sections 15A to 15H of the Tariff Act 1988. These sections relate to the application of transitional safeguard measures (including provisional measures) to various countries with which New Zealand has a free trade agreement.

Clause 4(1) amends the definition of free trade agreement in section 15A in order to provide for the application of transitional safeguard measures (including provisional measures) in relation to the Malaysia FTA.

Clause 4(2) inserts a definition of the Malaysia FTA into section 15A.

Clause 5 amends section 15H(1)(b)(ii), which relates to provisional transitional measures. The amendment is consequential on the amendments made in *clause 4*.

Hon Tim Groser

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The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Tariff (Malaysia Free Trade Agreement) Amendment Act **2010**.
- 2 Commencement**
This Act comes into force on a date appointed by the Governor-General by Order in Council. 5
- 3 Principal Act amended**
This Act amends the Tariff Act 1988.

4 Interpretation

- (1) The definition of **free trade agreement** in section 15A is amended by adding “; or” and also by adding the following paragraph:

“(d) the Malaysia FTA”.

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- (2) Section 15A is amended by inserting the following definition in its appropriate alphabetical order:

“**Malaysia FTA** means the Malaysia–New Zealand Free Trade Agreement done at Kuala Lumpur on 26 October 2009”.

5 Provisional transitional safeguard measure

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Section 15H(1)(b)(ii) is amended by omitting “China FTA or the AANZFTA,” and substituting “China FTA, the AANZFTA, or the Malaysia FTA,”.
