

Free Trade Agreement

UK – New Zealand



The Free Trade Agreement between the UK and New Zealand came into force on 31 May 2023, after an accord was reached back in 2022. After the deal with Australia, it represented the second brand new agreement signed by the UK government post-Brexit.



Trade between the two nations in goods and services totalled some [£2.5 billion in 2022](#), making New Zealand the UK's 63rd largest trading partner. So how will the new agreement impact this relationship, and what does it mean for business and individuals?

When did the Free Trade Agreement happen?

Negotiations towards the UK-NZ Free Trade Agreement commenced on 17 June 2020 and were concluded on 28 February 2022. Under the terms of the agreement, the FTA came into force on 31 May 2023. It perhaps hasn't generated the same amount of headlines as the deal with Australia because of the relatively small level of trade involved, and because most trade with New Zealand was already tariff free.

What are the key takeaways from the Free Trade Agreement?

Similar to the free trade agreement with Australia, the main headline is that custom duties on all trade between New Zealand and the UK will be removed, many of them straight away. There will also be a reduction in red tape to ease trade and speed up customs clearance.

The NZ-UK FTA also aims to free up investment opportunities, has new rules for service suppliers and liberalises some of the rules around working and travelling in the respective partner countries. There has been broad support for the agreement but there have been concerns raised by Farmers groups that they will be adversely affected by allowing NZ farmers free access to the UK market.

What will be the main impact on tariffs?

Goods imported to New Zealand will be tariff free on day one of the agreement, with the main sectors affected likely to be clothing, footwear and ships. The UK government estimates the tariff reduction will be worth approximately £17m per year.

For New Zealand exporters, they'll also enjoy tariff-free trade on 99.5% of products, including the likes of wine, manuka honey and kiwi fruit. The remaining product lines will have quota arrangements of varying length, with quotas for apples (3 years), cheese and butter (5 years) and beef and sheep meat (15 years).

Does the FTA speed up customs clearance?

It promises to. The agreement contains provisions to release goods from customs within 48 hours of arrival, as long as certain requirements are met. Customs procedures will also be modernised in a move aimed at reducing costs, particularly for SMEs.

The wording around Rules of Origin (ROO) for goods have also seen a significant change, which should help exporters who incorporate items from other countries into their products with exports to New Zealand.

How else will companies benefit from the NZ-UK FTA?

Part of the FTA covers digital markets, with more regulations removed to allow tech and service companies to access the New Zealand market more easily. Duties on electronic transmissions and software have been removed, while e-commerce will be simplified. At the same time, service

sector suppliers such as accountants, lawyers and engineers can, for the first time, work in New Zealand on an equal footing with natives.

It's also hoped that the agreement will lead to clearer and more open investment opportunities for both parties. Barriers and limits will be lowered, while screening thresholds will be increased, meaning that overseas investment should be easier for UK companies.

What does the UK-NZA FTA mean for visas and working abroad?

Younger people will find that the FTA enhances their opportunity to live and work in the partner country. Previously, the age limit for the Youth Mobility Scheme was 30, but that has been increased to 35 for both nations. The length of time has also been increased, with working holidays now extended to a maximum of three years.

Intra-company transfers for executives, specialists and senior managers will also be made easier. Again, this is limited to three years, but family members will be able to join workers in Aotearoa.

**For More
Information
Contact One
of Our Partners
Today →**

Email: contact@ouryclark.com

Oury Clark London:

10 John Street, London WC1N 2EB

Tel: +44 (0) 20 7067 4300

Oury Clark Slough:

Herschel House, 58 Herschel Street
Slough SL1 1PG

Tel: +44 (0) 1753 551111



Disclaimer: This note does not contain a full statement of the law and it does not constitute legal advice. Please contact us if you have any questions about the information set out above.

© Oury Clark