Trans-Pacific Partnership: Negotiating Mandate

Portfolio
Trade

Purpose
This paper seeks approval of a negotiating mandate for the third and subsequent rounds of negotiations to expand the Trans-Pacific Partnership (TPP).

Previous Consideration
In February 2010, the Cabinet Strategy Committee considered an item on the TPP, and noted that the Minister of Trade would report to Cabinet, as appropriate, as the TPP negotiations progress [SNR Min (10) 2/1].

Summary
Withheld:

- [Redacted]

The mandate being sought covers the areas of:
- goods market access;
- rules of origin;
- other goods-related areas (eg customs and trade remedies);
- intellectual property;
- government procurement;
- competition policy;
- services;
- investment and financial services (the existing mandate is in Annex Two on pages 29-32);
- labour and environment;
- co-operation;
- pharmaceuticals;
- legal and institutional issues;
- "horizontal" issues (regional integration);
- membership of the TPP (this paper assumes that Malaysia will join the negotiations).

Further details are in Annex One on pages 17-18.

Officials will come back to Cabinet for guidance on issues where New Zealand flexibility might be needed.

**Regulatory Impact Analysis**

An extended National Interest Analysis will be provided when negotiations have concluded and the TPP is submitted for approval for signature.

**Baseline Implications**

The negotiations and implementation of the TPP will have fiscal implications. Costs are expected to be higher overall than those incurred for past FTAs. Further information will be provided to Cabinet on costs and funding issues as the negotiations progress.

**Legislative Implications**

New Zealand will need to amend its domestic legislation to fulfil its obligations under the TPP, including amendments to the Tariff Act 1988.

**Timing Issues**

New Zealand is to host the fourth round of TPP negotiations in Auckland from 6-10 December 2010.

It is expected that the White House will want something to announce when President Obama hosts APES in November 2011.

**Announcement**

The negotiations are likely to continue to attract a high level of public interest. A strategy for ongoing domestic consultation has been prepared. The Minister of Trade will respond to any media inquiries.

**Consultation**

Paper prepared by MRAT. MAF, MED, MfE, Health, Labour, Treasury, Customs, and the Reserve Bank were consulted. DPMC was informed.

The Minister of Trade indicates that discussion is not required with the government caucus or with other parties represented in Parliament.

The Minister of Trade recommends that the Committee:

**General approach**

- EGI (10) 210
note that New Zealand will host the fourth round of TPP negotiations in Auckland in December 2010.

Negotiating mandate

Tariffs

- $6 (a)$, $6 (b) (c) ; 6 (e) (v) ; s 9 (e) (d) ; s 9 (e) (j)$

Rules of origin

- $s 6 (a)$
- $s 6 (e) (v) i$
- $s 9 (e) (d) a$
- $s 9 (e) (j)$

Customs

- $s 6 (a) ; 6 (e) (v) ; 9 (e) (d) ; s 9 (e) (j)$

Other goods-related areas (trade remedies, SPS, TBT)

- $s 6 (a) ; 6 (e) (v) ; 9 (e) (d) ; s 9 (e) (j)$
Intellectual property

agree that key New Zealand stakeholders continue to be consulted in as open and transparent manner as possible as the negotiations progress;

Government procurement

Competition policy

Services

Temporary entry / business mobility

E-Commerce

Telecommunications
OFFICIAL INFORMATION ACT

Released under the

Labour and Employment
Co-operation
- s b (a) ; s b (e) (c_i)
- s q (a) (d) ; s q (e) (c_i)

Other issues of sensitivity:

- s b (a)
- s b (e) (c_i)
- s q (a) (d)
- s q (e) (c_i)

Legal and institutional issues:

- s b (a)
- s b (e) (c_i)
- s q (a) (d)
- s q (e) (c_i)

Horizontal issues:

- s b (a)
- s b (e) (c_i)
- s q (a) (d)
- s q (e) (c_i)

Further consultation:

36 direct the Ministry of Foreign Affairs and Trade, in consultation with other agencies as appropriate, to seek instructions from interested Ministers in cases where developments in the negotiation put pressure on established New Zealand policy positions in specific areas of the negotiation;

37 invite the Minister of Trade to seek further Cabinet guidance periodically, at the point where progress in the negotiation would allow an informed discussion on risks, opportunities, and areas of potential New Zealand flexibility.

Janine Harvey
Committee Secretary

Distribution (see over)
Distribution:
Cabinet Economic Growth and Infrastructure Committee
Office of the Prime Minister
Chief Executive, DPMC
PAG Subject Advisor, DPMC
Secretary to the Treasury
Chief Executive, MED
Minister of Health
Director-General of Health
Secretary for the Environment
Director-General, MAF (Agriculture)
MAF
Secretary of Foreign Affairs and Trade
Secretary of Labour
Director-General, MAF (Food Safety)
Comptroller of Customs
Chief Executive, Te Puni Kokiri
Office of the Minister of Trade

Chair,
Economic Growth and Infrastructure Committee

TRANS-PACIFIC PARTNERSHIP: NEGOTIATING MANDATE

Proposal

This paper seeks approval of a negotiating mandate for the third and subsequent rounds of negotiations to expand the Trans-Pacific Partnership (TPP), involving the existing P4 partners together with Australia, Peru, the United States, Viet Nam and probably Malaysia.

Executive Summary

Potential gains from a TPP agreement are large, but also from future expansion to include other big regional economies.

- s 6 (a)
- s 6 (b)
- s 9 (a)
- s (20)
- s (20)
lines. Negotiators will for the time being consult interested Ministers for guidance on specific issues in cases where we are under pressure to move beyond established New Zealand positions. At some point after the third and fourth rounds officials expect to be able to come back to Cabinet for guidance on issues where New Zealand flexibility might be needed to allow the development of a balanced deal.

8 The body of this paper focuses on the issues that have emerged in the negotiation. Further technical detail is provided in the annex.

9 This paper assumes throughout that Malaysia will join the negotiation.

Background

General approach

- $L(a)$
- $L(b)$
- $L(c)$
- $L(d)$
- $L(e)$
- $g L(c)$
An accelerated FTA negotiating schedule has been mapped out from now until the APEC Leaders’ meeting in November 2011.

Following advice to Ministers, New Zealand is proceeding with arrangements to host the.

16.

Good market access.

S.6(c)

S.6(c)

S.6(c)

S.9(c)
21. As an economy with a narrow manufacturing base, New Zealand relies heavily on imported inputs for its manufactured goods. To remain internationally competitive, New Zealand producers must be able to access an increasingly global supply chain and many have changed their business model and production processes accordingly.

Rules of Origin

§ 9 (2) (a)
Other goods-related areas (customs, trade remedies, SPS, TBT)

- 6 (a)
- 6 (e) (v)
- 9 (e) (h)
- 9 (e) (j)

Intellectual Property

24 Intellectual property (IP) will be a difficult issue in the negotiation.

- 6 (a)
- 6 (e) (v)
- 9 (e) (h)
- 9 (e) (j)

Government Procurement

- 6 (a)
- 6 (e) (v)
- 9 (e) (h)
- 9 (e) (j)
released under the official information act

Competition policy

28. New Zealand takes a principles-based approach to competition policy. Chapters in free trade agreements:

- s.6(c)
- s.6(c)(1)
- s.6(c)(2)
- s.6(e)(1)
- s.6(e)(2)
- s.9(c)(1)
- s.9(c)(2)
- s.9(c)(3)

- s.6(c)
- s.6(c)(1)
- s.6(c)(2)
- s.6(c)(3)
- s.9(c)(1)
- s.9(c)(2)
- s.9(c)(3)

Chapters on investment and financial services have been under negotiation between the two and the US since 2008.

Investment and Financial Services
Pharmaceuticals, $S(I), S(I)(I), S(I)(I)$

- $S(I)$
- $S(I)(I)$
- $S(I)(I)$

Legal and Institutional Issues

- $S(I)$
- $S(I)(I)$
- $S(I)(I)$
- $S(I)(I)$
- $S(I)(I)$

The Horizontal Agenda – Regional Integration

- $S(I)$
- $S(I)(I)$
- $S(I)$

Membership

- $S(I)$
- $S(I)(I)$
- $S(I)(I)$
- $S(I)(I)$
- $S(I)(I)$
Consultation

41 The following departments have been consulted in the preparation of this paper and concur with its recommendations: Ministry of Agriculture and Forestry, New Zealand Customs Service, Ministry of Economic Development, Ministry for the Environment, New Zealand Food Safety Authority, Ministry of Health, Department of Labour, Reserve Bank of New Zealand, and The Treasury.

Financial implications

42 Fiscal costs of TPP are likely to include the following components, incurred across different departments and over a number of years:

(a) Negotiations: includes preparatory work leading to negotiation rounds, outsourcing of analysis to external consultants, travel, consultation and outreach. These costs will be incurred for the duration of the negotiations;

(b) Implementation: includes costs arising from changes to domestic policy settings and ‘operational costs (such as increased transparency and consultation requirements). This is likely to be the most significant area of new costs;

(c) Tariffs: reduction in tariff levels resulting in reduced Crown revenue.

43 Costs are expected to be higher overall than those incurred for past FTAs because of the size of the TPP group, the breadth of the negotiating agenda and the likely emphasis on continuing regulatory cooperation after entry into force.

44 Officials will provide detailed information to Cabinet on cost and funding issues as the negotiation proceeds and the implications become clearer. Meanwhile negotiators will continue to work for TPP outcomes that deliver long-term economy-wide benefits well in excess of these direct financial costs.

Human Rights Implications

48 The paper contains no proposals inconsistent with the Human Rights Act 1993 or the New Zealand Bill of Rights Act 1990.
 Legislative Implications

46 None at this stage, but domestic legislation will need to be amended to enable fulfilment of the international legal obligations assumed under the TPP. Amendments are likely to be required to the Tariff Act 1988 to enable the application of preferential tariff rates and special transitional safeguard provisions to imported goods and amendments to regulations under the Customs and Excise Act 1996 to reflect agreed rules of origin.

Regulatory Impact and Business Compliance Cost Statement

47 An extended National Interest Analysis (incorporating a Regulatory Impact Analysis) will be presented to Cabinet when negotiations have concluded and the Trans-Pacific Partnership is submitted for approval for signature. As noted in CAB ERD (09) 4/6, if and when decisions are required from Ministers that may require legislative or regulatory change for implementation, assessments of regulatory impact will be provided.

Publicity

48 The negotiations are likely to continue to attract a high level of public interest, particularly when New Zealand hosts a ‘round’ in Auckland in early December.

49 Through an interagency process, officials have developed a strategy for ongoing domestic consultation and outreach. The strategy aims at getting stakeholder input into the negotiating mandate and providing information about the negotiating process.

50 The Minister of Trade normally takes the lead in responding to media enquiries that require political response.

Recommendations

51 The Minister of Trade recommends that the Committee:

General Approach
4. note that New Zealand will host the fourth round of TPP negotiations in Auckland in December.

Tariffs

- $s \in \mathcal{U}$, $s \in \mathcal{W}^I\mathcal{C}^V$, $s \in \mathcal{W}^{-I}\mathcal{C}^V$
- $s \in \mathcal{W}^I\mathcal{C}^R$, $s \in \mathcal{W}^{-I}\mathcal{C}^R$

Rules of Origin

- $s \in \mathcal{U}$
- $s \in \mathcal{W}^{-I}\mathcal{C}^R$
- $s \in \mathcal{W}^{-I}\mathcal{C}^V$
- $s \in \mathcal{W}^{-I}\mathcal{C}^R$
- $s \in \mathcal{W}^{-I}\mathcal{C}^V$
RELEASED UNDER THE OFFICIAL INFORMATION ACT
RELEASED UNDER THE OFFICIAL INFORMATION ACT
RELEASED UNDER THE OFFICIAL INFORMATION ACT
RELEASED UNDER THE OFFICIAL INFORMATION ACT
Other goods-related areas (trade remedies; SPS, TBT)

- § 6(1); § 6(6)(c)(i); § 7(2)(d); § 9(2)(c)(i)

Intellectual Property

- § 6(1); § 6(6)(c)(i); § 9(2)(d); § 9(2)(c)(i)

12 agree that key New Zealand stakeholders continue to be consulted in as open and transparent manner as possible as the negotiations progress;

- § 6(1); § 6(6)(c)(i); § 9(2)(d); § 9(2)(c)(i)

Government Procurement

- § 6(1); § 6(6)(c)(i); § 9(2)(d); § 9(2)(c)(i)

Competition Policy

- § 6(1); § 6(6)(c)(i); § 9(2)(d); § 9(2)(c)(i)

Services

- § 6(1); § 6(6)(c)(i); § 9(2)(d); § 9(2)(c)(i)
Temporary Entry/Business Mobility
- $6(a)$, $6(6)C(a)$, $9(6)22C(a)$, $9(6)2C5$

E-Commerce
- $6(6)(a)$, $6(6)(6)C(a)$, $9(6)22C(a)$, $9(6)2C5$

Telecommunications
- $6(6)(a)$, $6(6)C(a)$
- $9(6)22C(a)$, $9(6)2C5$

Investment and Financial Services
- $6(a)$
- $6(6)C(a)$
- $9(6)22C(a)$
- $9(6)2C5$
OFFICIAL INFORMATION

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Cooperation

Labour and Environment

Issues of sensitivity

S (C) 6(C) 4(C) 7(C)
9(C) 2(C) 6(C) 7(C)
8(C) 6(C) 4(C) 7(C)
9(C) 2(C) 6(C) 7(C)
Legal and institutional Issues

- s 6 (a)
- s 6 (e) (v)
- s 9 (2) (4)
- s 9 (2) (g)

Horizontal issues

- s 6 (a), s 6 (e) (v), s 9 (2) (e), s 9 (2) (y)

Further consultation

36 direct officials to seek instructions from interested Ministers in cases where developments in the negotiation put pressure on established New Zealand policy positions in specific areas of the negotiation;

37 invite the Minister of Trade to seek further Cabinet guidance periodically, at the point where progress in the negotiation would allow an informed discussion on risks, opportunities and areas of potential New Zealand flexibility.

Hon Tim Groser
Minister of Trade.

8 September 2016
Annex 1

Goods

Withheld:
- S 6 (a)
- S 9 (2) C 9

whey) which are being phased out over 12 years (by 2017).

Rules of Origin (ROO)

- S 6 (a), S 6 (c)
- S 9 (2) C 9

3 New Zealand and Singapore already had duty-free trade under the Agreement between New Zealand and Singapore on a closer Economic Partnership (ANZSCEP) which entered into force on 1 January 2003.
- § 6 (a)
- § 6 (b) (c)
- § 9 (2) (a)
- § 9 (2) (c)

Other goods-related areas

Outcomes in areas such as Customs, Trade Remedies, Sanitary and Phytosanitary Measures (SPS) and Technical Barriers to Trade (TBT) are designed to ensure that market access outcomes are not unnecessarily undermined by barriers at or behind the border.

- § 6 (a), § 6 (b) (c), § 9 (2) (a), § 9 (2) (c)
- § 9 (2) (a), § 9 (2) (c)
- § 9 (2) (a), § 9 (2) (c)
- § 6 (a)
- § 6 (b) (c)

The purpose of a transitional safeguard
The differing regulations governing technical requirements for products create significant transaction and compliance costs for exporters and give rise to higher costs for consumers. One way of reducing these costs is for trading partners to recognize the competence of each other’s regulatory approaches, and standards and conformity infrastructure, to avoid applying unnecessary market access requirements.

The existing PTA TBT chapter provides a framework to address TBTs facing businesses, aimed at facilitating trade.
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Services

The current P4 services chapter is considered to be high-quality and comprehensive. Market access commitments are structured in a negative list, subject to a "ratchet" mechanism (meaning that each party's services obligations cannot decrease and future liberalisation is also captured) and to Most Favored Nation (MFN) treatment.

Temporary Entry

To facilitate and provide for transparent processes for New Zealand business people to enter into other countries is an important objective for New Zealand in all our FTAs negotiations. P4 includes a separate chapter on Temporary Entry (TR), which includes a built-in agenda to negotiate a full TR Chapter within two years of entry into force of P4.

E-Commerce

P4 does not include a separate e-commerce chapter and New Zealand has not previously sought an e-commerce chapter in our FTAs. We have concluded FTAs that include e-commerce chapters (AANZFTA, Hong Kong and Thailand agreements).

Telecommunications

New Zealand has an open and relatively competitive telecommunications market. The New Zealand regime for telecommunications embodies generally accepted principles for liberalised telecommunications markets to support
Prior to the China-New Zealand FTA, New Zealand had not concluded an FTA with CISDS procedures. New Zealand did not subscribe to the view that the automatic right to international arbitration (as opposed to domestic remedy) was a necessary protection for investors. Furthermore, there were concerns about investor-state dispute settlement impacting the government’s right to regulate for legitimate public purposes and that it would place the government at unnecessary risk of costly litigation.
Cooperation

P4 contains a chapter headed “Strategic Partnership”. The chapter is designed to establish a framework for cooperation as a means to expand and enhance the benefits of the TPP. The chapter lists economic, scientific, technological, educational and primary industry cooperation as areas of particular focus. Cooperation is to be “in areas of mutual interest”. An implementing arrangement concluded alongside P4 set out initial activities agreed between the parties.

Legal and Institutional Issues

- 6.6(a)
- 6.6(b)(i)
- 6.7(b)(a)
- 6.7(b)(i)
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Annex Two

Existing Mandate for Investment and Financial Services [Cab Min (08) 22/1]

Investment

Rest of page 29 and all of page 30 withheld in full:
- s 6 (a);
- s 6 (b)(i);
- s 6 (c)(v);
- s 9 (2)(d);
- s 9 (2)(i)
RELEASED UNDER THE OFFICIAL INFORMATION ACT
Trans-Pacific Strategic Economic Partnership Negotiations: New Zealand's Initial Services and Investment Market Access Offer

Portfolio

Trade

Purpose

This paper seeks approval of New Zealand's initial services and investment market access offer for the Trans-Pacific Strategic Economic Partnership (TPP) Free Trade Agreement (FTA) negotiations.

Previous Consideration

On 15 September 2011, EGI agreed to a negotiating mandate for the third and subsequent rounds of negotiations to expand the TPP [EGI Min (10) 22/4].

Summary

The services and investment commitments will be made on a two-Annex "negative list" basis - this means that New Zealand would commit to providing foreign investors or service suppliers with unrestricted access to all sectors of the economy except those that are sensitive. These sensitive areas will be identified in individual "reservations".

Appendix A on pages 10-12 sets out the services and investment negative list.

The proposed initial market access offer for TPP is outlined in Appendix B on pages 13-16.

Approval is also sought for officials to make technical changes to the agreed mandate, should this become necessary.

Regulatory Impact Analysis

An extended National Interest Analysis will be provided when negotiations have concluded and the TPP is submitted for approval for signature.
Baseline Implications

None.

Legislative Implications

None from this paper.

Timing Issues

§ 6 (a)

Announcement

No publicity is planned, although there is ongoing stakeholder interest in the negotiations. The likely response by officials to any media queries is summarised on page 8.

Consultation

Paper prepared by MFAT, MAF, DBH, Corrections, DOC, MCH, MED, Consumer Affairs, Education, MAF, Fisheries, Health, Inland Revenue, DIA, Justice, Labour, LINZ, PIA, MSI, MSD, Transport, Reserve Bank, TPK and Treasury were consulted. DPMC was informed.

The Minister of Trade indicates that discussion is not required with the government caucus or with other parties represented in Parliament.

The Minister of Trade recommends that the Committee:

1

note that:

1.1 on 15 September 2010, the Cabinet Economic Growth and Infrastructure Committee agreed to a negotiating mandate for the third and subsequent rounds of negotiations to expand the Trans-Pacific Partnership (TPP), and invited the Minister of Trade to seek further Cabinet guidance periodically, as appropriate [EGI Min (10) 22/4];

1.2 in the negotiations for the TPP Free Trade Agreement (FTA), New Zealand is expected to table an initial services and investment market access offer § 6 (a)

2

§ 6 (a)

§ 6 (c) (a)

3

§ 7 (b) (6)

§ 7 (c) (a)

§ 7 (c) (i)

5

agree that if, in the course of negotiations, officials conclude there is a need to improve the offer in areas that would require minor changes to current policy settings or future policy flexibility, officials will seek a renewed mandate from the Minister of Trade, the Minister of Foreign Affairs, the Minister of Finance and the relevant portfolio Minister(s);
invite the Minister of Trade to seek further Cabinet guidance if the TPP Parties seek changes to the offer that would involve trade-offs or significant policy risks.

Janine Harvey
Committee Secretary

Distribution:
Cabinet Economic Growth and Infrastructure Committee
Office of the Prime Minister
Chief Executive, DPMC
Secretary to the Treasury
Secretary for Justice
Minister of Health
Director-General of Health
Secretary for the Environment
Minister of Corrections
Chief Executive, Department of Corrections
Minister for Arts, Culture and Heritage
Chief Executive, Ministry for Culture and Heritage
Chief Executive, MED
Director-General, MAF (Agriculture)
Secretary for Foreign Affairs and Trade
Chief Executive, Ministry of Science and Innovation
Secretary for Transport
Minister of Pacific Island Affairs
Chief Executive, Ministry of Pacific Island Affairs
Minister for Social Development and Employment
Chief Executive, MSD
Chief Executive, Ministry of Fisheries
Chief Executive, Ministry of Finance
Director-General of Conservation
Chief Executive, MAF (Food Safety)
Chief Executive, Department of Building and Housing
Chief Executive, Land Information New Zealand
Secretary for Internal Affairs
National Library
Minister of Consumer Affairs
Head, Ministry of Consumer Affairs
Chief Executive, Te Puni Kōkiri
Commissioner of Inland Revenue
Office of the Minister of Trade

Chair,
Economic Growth and Infrastructure Committee

TRANS-PACIFIC STRATEGIC ECONOMIC PARTNERSHIP NEGOTIATIONS:
NEW ZEALAND’S INITIAL SERVICES AND INVESTMENT MARKET ACCESS
OFFER

Proposal

This paper seeks Cabinet approval of New Zealand’s initial services and
investment market access offer for the Trans-Pacific Strategic Economic
Partnership (TPP) Free Trade Agreement (FTA) negotiations.

Executive Summary

Officials propose that New Zealand table an initial services and investment
market access offer in TPP

Background

2 The Trans-Pacific Partnership (TPP) Free Trade Agreement
negotiations involve Australia, Brunei Darussalam, Chile, Peru, Malaysia, New Zealand,
Singapore, the United States and Viet Nam. It builds on the “P4” Agreement
New Zealand concluded with Brunei, Chile and Singapore in 2005. TPP aspires to
be a high quality, comprehensive, regional FTA. In the four rounds of discussions
to date negotiations have been progressing as predicted, with New Zealand
officials engaging on the basis of the mandate you approved last September
(Cab Min (16) 346).

3 Another important aspect of the TPP deal will be Parties’ commitments on access
to each other’s markets for foreign services suppliers, including financial services
suppliers, and investors.
Structure of New Zealand’s offer

services and investment commitments will be made on a two-Annex “negative list” basis (see Appendix A). This is an inherently transparent and liberal approach to making commitments. It means that New Zealand would commit to providing foreign investors or service suppliers with unrestricted access to all sectors of the economy except those that are sensitive, in which we either already have policies that discriminate against foreign investors or service suppliers, or want to retain flexibility to adapt such policies in future. These sensitive areas are identified in individual “reservations”. TPP Parties’ services and investment market access offers therefore comprise a list of reservations. A paper briefly describing the reservations is attached to this paper (Appendix B). Relevant departments have been consulted on the offer.

Ambition

- s 6 (a)
- s 6 (b)(i)
- s 6 (c)(i)
- s 9 (2)(a)
- s 9 (2)(b)
- s 6 (c)(ii)

1 The 2004 negative list was constructed 2004/05 as a result of a rigorous interdepartmental process. It was revalidated at a policy and technical level last year in consultation with a wide range of government departments. Nevertheless officials consulted departments again on the reservations in December/January/February.
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New Zealand's sensitivities
RELEASED UNDER THE OFFICIAL INFORMATION ACT
Financial Services Commission of services abroad by a New Zealand consumer.

For the purposes of the financial services charter, cross-border supply is also includes over the nexus of autonomous liberalization, 56(4), 56(6)(c).

The obligation to permit the cross-border supply of financial services is

a) Limited to a specific set of sectors (i.e., a positive list approach).

b) Cross-border supply of financial services:

1) The structure of financial services commitments is unique in that a

2) 56(4)
Amending the Offer in the Course of Negotiations

- s 6(a)

- s 6(a); s 6(c)(vi); s 7(c)(vi)

25. Officials propose to revert to delegated Ministers if we come under pressure to change reservations in a way that would affect current policy settings or materially affect future policy flexibility in sensitive areas. If those amendments involve trade-offs and significant policy risk, officials propose to revert to Cabinet.

Consultation

The following departments have been consulted on the reservations and this Cabinet paper: Ministry of Agriculture and Forestry, Department of Building and Housing, Department of Corrections, Department of Conservation, Ministry for Culture and Heritage, Ministry of Economic Development, Ministry of Consumer Affairs, Ministry of Education, Ministry for the Environment, Ministry of Fisheries, Ministry of Health, Inland Revenue Department, Department of Internal Affairs, Ministry of Justice, Department of Labour, Land Information New Zealand, Ministry of Pacific Island Affairs, Ministry of Science and Innovation, Ministry of Social Development, Ministry of Transport, National Library, Reserve Bank of New Zealand, Te Puni Kokiri and The Treasury.

Financial Implications

This paper contains no proposals that carry financial implications.

Human Rights Implications

The paper contains no proposals inconsistent with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

Legislative Implications

There are no legislative implications from these proposals.
Regulatory impact Statement

An initial offer along these lines would not require legislative or regulatory changes. If New Zealand comes under pressure to improve its offer in a way that would affect current policy settings, officials will provide advice on the regulatory impact analysis when seeking a renewed mandate from relevant Ministers. In addition, an extended National Interest Analysis (Incorporating a Regulatory Impact Analysis) will be presented to Cabinet when negotiations have concluded and the TPP FTA is submitted for approval for signature.

Publicity

There is no publicity planned around this paper, although there is ongoing stakeholder interest in the negotiations. Some commentators are generally antipathetic to the “negative list” structure of services and investment commitments, and argue this has effectively forced or quickened the pace of privatisation and foreign ownership of formerly core government areas such as education and water. They will likely make similar statements in respect of TPP, to which officials will respond that the offer reflects current regulatory settings and that it is Government policy that drives openness in these sectors, not trade agreements. Trade agreements will only facilitate the entry of foreign investors and service suppliers if the sector has already been opened up through corporatisation or deregulation; although the commitments may prevent Governments from subsequently re-regulating inconsistent with the obligations.

Recommendations

The Minister of Trade recommends that the Committee:

1. Note that in the negotiations for the Trans-Pacific Partnership FTA negotiations New Zealand is expected to table an initial services and investment market access offer on
5 Agree that if, in the course of negotiations, officials conclude there is a need to improve the offer in areas that would require minor changes to current policy settings or future policy flexibility, officials will seek a renewed mandate from the Minister of Trade, the Minister of Foreign Affairs, the Minister of Finance and relevant portfolio Minister(s).

6 Note that if TPP Parties seek changes to our offer that would involve trade-offs or significant policy risks, officials will revert to Cabinet.
A Services and Investment Negative list

In the body of the FTA chapter texts for services and investment, New Zealand commits itself to a number of obligations in relation to TPP Parties, including the following ‘core’ obligations:

<table>
<thead>
<tr>
<th>OBLIGATION</th>
<th>CHAPTER</th>
<th>EFFECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Favoured Nation</td>
<td>Services and Investment</td>
<td>We will always treat TPP service suppliers and investors at least as well as we treat services and service suppliers and investors of any other country with which we conclude an FTA in the future.</td>
</tr>
<tr>
<td>National Treatment</td>
<td>Services and Investment</td>
<td>We will always treat TPP service suppliers and investors at least as well as New Zealand service suppliers and investors.</td>
</tr>
<tr>
<td>Market Access</td>
<td>Services</td>
<td>We will not limit access to the market eg by imposing restrictions on the number of service suppliers, or specifying the legal form of service suppliers (eg joint venture).</td>
</tr>
<tr>
<td>Local Presence</td>
<td>Services</td>
<td>We will not require TPP service suppliers to maintain a legal presence in New Zealand.</td>
</tr>
<tr>
<td>Performance Requirements</td>
<td>Investment</td>
<td>We will not impose various requirements on any investor (not just those from TPP Parties) as a condition of their investment, eg local content, export sales or technology transfer requirements.</td>
</tr>
<tr>
<td>Senior Management and Boards of Directors</td>
<td>Investment</td>
<td>We will not impose eg require that companies have New Zealanders in their senior management, or form a majority of their Board of Directors. We can only require that a minority of Board of Directors be New Zealanders if such a requirement does not materially impair the ability of the investor to exercise control over its investment.</td>
</tr>
</tbody>
</table>
2. These obligations will be binding with respect to TPP Parties, so current or future Governments cannot regulate or take other action in a way that is inconsistent with these obligations.

3. When services and investment market access commitments are done in a "negative list" structure, Parties effectively commit to providing foreign investors or service suppliers with unrestricted access to all aspects of the economy except those that are sensitive, where we currently have policies that discriminate against foreign investors or service suppliers, or want to retain flexibility to do so in future. These sensitive areas are identified in individual "reservations." TPP Parties' services and investment market access offers therefore comprise a list of reservations.

4. In a "two annex negative list" approach to be used in TPP, there are two ways to list these reservations:

   - Annex I sets out each Party's existing measures that limit or restrict foreign investors or service suppliers in a way that infringes one or more of the obligations. The measures cannot be made more restrictive in future, and any domestic liberalisation of the measure must automatically be provided to TPP Parties and may not be reversed in future.

   - Annex II sets out sensitive sectors in which current or future Governments wish to retain their flexibility to impose measures that might conflict with the obligations listed on the first page of this appendix.

5. The reservations in a negative list are additional to the general exceptions included in other parts of an FTA which usually give Governments flexibility to take a wide variety of measures.

Financial Services Commitments

6. In the body of the FTA chapter text for financial services, New Zealand commits itself to a number of obligations in relation to TPP Parties, including the following "core" obligations:

<table>
<thead>
<tr>
<th>OBLIGATION</th>
<th>EFFECT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most Favoured Nation</td>
<td>We will always treat TPP financial institutions, investors in financial institutions and cross-border financial service suppliers at least as well as we treat financial institutions, investors in financial institutions and cross-border financial service suppliers of any other country with which we conclude an FTA in the future</td>
</tr>
<tr>
<td>National Treatment</td>
<td>We will always treat TPP financial institutions and investors in financial institutions at least as well as New Zealand financial institutions and investors in financial institutions.</td>
</tr>
<tr>
<td>Market Access for Financial Institutions</td>
<td>We will not limit access to the market eg by imposing restrictions on the number of financial institutions, or specifying the legal form of financial institutions (eg joint venture).</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Senior Management and Boards of Directors</td>
<td>We will not require that financial institutions hire persons of a particular nationality as senior managers or other essential personnel, or require that New Zealand nationals or residents make up more than a majority of a financial institutions board of directors.</td>
</tr>
<tr>
<td>Cross Border Trade</td>
<td>We will permit cross border financial service suppliers of the other Parties to supply financial services in certain sectors on terms and conditions that accord national treatment, and will permit persons in New Zealand and New Zealanders wherever located to purchase financial services from cross border financial service suppliers of another Party.</td>
</tr>
</tbody>
</table>

7 Financial services market access commitments made on the basis of the "two annex negative list" approach follow a similar format to those services and investment market access commitments made on that basis. However, there are two important differences:

- The obligation to permit cross border financial service suppliers of the other Parties to supply financial services on terms and conditions that accord national treatment only applies in respect of a limited number of sectors (i.e. commitments are scheduled on a "positive list" basis).

- The Cross Border Trade Article (of which the obligation in the paragraph above is a part) is not subject to the "ratchet" mechanism. This means that domestic liberalisation of any measure which is "locked, as inconsistent with the Cross Border Trade Article may be reversed in future.

9 The financial services chapter also includes an exception which preserves the Government’s ability to impose measures for “prudential reasons”,

...
APPENDIX B:

PROPOSED INITIAL MARKET ACCESS OFFER FOR TPP

Services and Investment

Annex I reservations:

withheld:

- s 6 (a)
- s 6 (c) (vi)
- s 9 (2) (a)
- s 9 (2) (c)
OFFICIAL INFORMATION

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Annex II reservations, which preserve the Government's ability to adopt or maintain any measure.

Risk of page 14 and all of page 15 is deleted in the following grounds of the UL:

- s 6 (c)
- s 6 (d)
- s 9 (c) (a)
- s 9 (c) (b)
- s 9 (c) (c)
Financial Services

Commitments in respect to investment in financial services are also made on the basis of a two-annex approach.

'Section A' (Annex I) reservations:

- S 6 (a); S 6 (e)(vi); S 9 (2)(d); S 9 (2)(i)

'Section B' (Annex II) reservations, which preserve the Government's ability to adopt or maintain any measure:

- S 6 (u); S 6 (e)(vi); S 9 (2)(d); S 9 (2)(i)

Cross border trade in financial services commitments are scheduled differently, through a 'positive list' approach, which means the obligation to afford national treatment to foreign cross border financial service suppliers only applies to a limited number of listed sectors.

- S 6 (i), S 6 (e)(vi); S 9 (2)(d); S 9 (2)(i)

Specific commitments on financial services are also scheduled through a 'positive list' approach but are unconditional (i.e. they are not limited by the above reservations).

- S 6 (v); S 6 (e)(vi); S 9 (2)(d); S 9 (2)(i)
Chair,
Economic Growth and Infrastructure Committee

TRANS-PACIFIC PARTNERSHIP: ROUND 7 AND BEYOND

Proposal

This paper provides an update on the Trans-Pacific Partnership (TPP) negotiations, flags key opportunities and risks, outlines a proposed approach for the next few rounds and requests mandate adjustments in some areas.

Executive Summary

2. In the forthcoming June and September rounds the TPP negotiation may advance to the point where participating countries, including New Zealand, need to show new flexibility to maintain momentum.

3. The scope of a pre-Honolulu process will probably not be clear until August or September.

4. This paper proposes adjustments to the negotiating mandate. Officials will return to Cabinet for instructions in the event that developments before November present a need for guidance on issues, including those with significant policy, fiscal or economic implications.

Background

5. The TPP negotiation has made good progress since it was launched in 2010.

6. The immediate requirement is for an updated mandate to cover issues negotiators will need to address at the next round in Viet Nam from 15 to 24 June. Dates for formal negotiating rounds beyond that have already been set (early September and late October).
At the recent meeting in Big Sky TPP Ministers agreed to push for agreement by November on a 'broad outline of an agreement' with a view to completing the negotiation in 2012. commitment to TPP

8 Key opportunities and risks were flagged in previous papers [STR Min (10) 2/1, EGI Min (10) 210]. While the US angle dominates public interest in New Zealand, TPP's significance goes much wider. The negotiation offers an opportunity to shape future regional integration. This means that the regulatory agenda in TPP carries special importance. Beyond that TPP offers an opportunity both to improve market access within the current group

Comment

General approach

10 The list on the facing page illustrates some of the complexities of the process. All of the issues flagged as risks in the list on the facing page will require mandate decisions at some point in the negotiation.
TPP – key opportunities and risks for New Zealand

Issues likely to feature in New Zealand cost/benefit assessment and in risk management effort within the negotiation:

withheld in full:
- s 6 (a);
- s 6 (e) (vi);
- s 9 (2) (d);
- s 9 (2) (c)
- s 6 (a);
- s 6 (e) (v1);
- s q (e) (d);
- s q (e) (c);

- s b (v1), s b (e) (v1);
- s q (d), s q (e) (v1).

**Goods market access (tariffs and rules of origin)**

- s 6 (a)
- s 6 (e) (c)
- s q (e) (d)
- s q (e) (c)

An ideal agreement would be fully comprehensive,
Textiles

- s 6 (a);
- s 6 (b)(i);
- s 9 (2)(d);
- s 9 (2)(c)).

Further information is provided in Annex B to this paper. Officials propose to continue operating within the existing mandate until the shape of the overall package of TBT provisions and annexes becomes clearer.

17. s 6(a)
   s 6(a)
   s 6(a)
   s 6(a)

Adoption of this requirement would require changes to the Customs and Excise Act, and may have a small resource impact for Customs as it is a new service. This proposal will provide benefits to New Zealand exporters through increased certainty into other markets.

18. For the chapter covering technical barriers to trade (TBT), negotiators continue to s 6(a), s 6(b)(v), s 9(c)(i), which is to negotiate a framework of provisions that will enable technical barriers faced by exporters to be addressed as they arise. Securing such an outcome will ensure that market access gains are not undermined by technical and regulatory barriers behind the border.

Further information is provided in Annex B to this paper. Officials propose to continue operating within the existing mandate until the shape of the overall package of TBT provisions and annexes becomes clearer.
s 6 (a);
- s 6 (b);
- s 6 (c);
- s 6 (d);
- s 6 (e);
- s 6 (f);
- s 6 (g);
- s 6 (h);
- s 6 (i);
- s 6 (j);
- s 6 (k);
- s 6 (l);
- s 6 (m);
- s 6 (n);
- s 6 (o);
- s 6 (p);
- s 6 (q);
- s 6 (r);
- s 6 (s);
- s 6 (t);
- s 6 (u);
- s 6 (v);
- s 6 (w);
- s 6 (x);
- s 6 (y);
- s 6 (z).

Intellectual Property
• Technological Protection Measures (TPMs)\(^1\):

\[ S(z) \quad s(2)(1) \]

• WIPO\(^2\) Copyright Treaty and WIPO Performances and Phonograms Treaty: which extend copyright to the digital/internet environment.

• Patents:

\[ S(z) \quad s(2)(1) \]

23 Traditional knowledge issues also arise in the negotiation of the IP chapter. The protection of traditional knowledge and the interface with the IP system is a key issue in the WAI 262 (Indigenous Flora and Fauna and Cultural and Intellectual Property) Claim. With the Waitangi Tribunal’s report due to be released in July, we can expect significant interest from Māori on how TPP will deal with traditional knowledge issues.

Government Procurement, Competition Policy

24 Discussions on text proposals for government procurement and competition policy are progressing well.

\[ S(z) \quad s(2)(1) \quad s(2)(d) \]

\[ S(z) \quad s(2)(1) \quad s(2)(2) \]

At this stage, and to seek further guidance from interested Ministers once the issues become clearer.

Services Issues

25 In general, we continue to operate within our existing mandate on issues relating to chapter text in the services cluster (cross-border trade in services, telecommunications, e-commerce and financial services).

\[ S(z) \]

\(^1\) In the digital/internet environment, copyright materials are often protected by technology that prevents copying – these are known as technological protection measures, or TPMs. TPMs can take many forms and can include such technologies as password-encrypted software and regional coding on DVDs.

\(^2\) World Intellectual Property Organisation
countries. We continue to push for quality outcomes across the board while preserving important New Zealand policy space. Note that issues in relation to services and investment market access are discussed below under the "services and investment non-conforming measures" heading.

Temporary Entry for Business Persons

- S 6 (a);
- S 6 (b)(c)(i);
- S 6 (c)(v);
- S 9 (c)(d);
- S 9 (c)(j);

Investment

- S 6 (a);
- S 6 (b)(c)(i);
- S 9 (c)(j);

S 9 (c)(j) S 9 (c)(j) S 6 (a) S 9 (c)(j) Technical issues requiring mandate adjustments prior to the September round will be the subject of separate consultation with relevant Ministers.

28 Consistent with the objectives of using the investment chapter to facilitate more effective and efficient government decision-making, with a view to creating a more efficient regional investment destination for business (S 6 (a))

S 9 (c)(j) This is a goal New Zealand has pursued through several different international fora.

S 6 (a) S 9 (c)(j) 29 New Zealand officials have been engaging in discussions on investor-state dispute settlement provisions (ISDS), which enable investors to take a dispute against the state for certain breaches of the chapter. S 6 (a)
Further information is provided in Annex B.

Some New Zealand stakeholders have also voiced opposition to investor-state rules in TPP.

Services and investment market access.

The government has received concerns about potential challenges to New Zealand's existing financial system rules.

Released under the Official Information Act.
Labour and Environment

Progress on both environment and labour has been slow,

- $s \in (a_i)$
- $s \notin (b_j e_i)$

- $s \notin (c_i)$
- $s \in (d_j e_i)$
- $s \in (e_j c_i)$
- $s \notin (f_i)$

- $s \notin (g_i)$
- $s \in (h_i e_j)$
- $s \in (i_j d_i)$
- $s \notin (j_i)$

Other "21st century" issues provide us with scope to work constructively to include provisions that meet the collective goal for TPP to be an ambitious, forward-looking regional agreement.

Cooperation

Pharmaceuticals,

- $s \in (a_i)$
- $s \in (b_j e_i)$
- $s \notin (c_i)$
- $s \in (d_j e_i)$
- $s \notin (f_i)$

- $s \in (g_i)$
- $s \notin (h_i e_j)$
- $s \in (i_j d_i)$
- $s \in (j_i)$
Legal and Institutional Issues

40. We are generally able to operate within our existing mandate for the chapters that make up the legal and institutional issues cluster. Work to date has focused on dispute settlement, transparency, administrative and institutional issues and general exceptions.

41. [Silk] has proposed text on anti-corruption as part of the Transparency chapter. Such provisions have not previously formed part of free trade agreements to which New Zealand is a party.

New Zealand has signed, but not ratified, UNCAC. As a result of legislative changes made in 2009, New Zealand would now be well placed to ratify UNCAC and Cabinet agreed in August 2009 that New Zealand should proceed to do so [CAB Min (09) 30/5 refers]. The Convention was referred to the Foreign Affairs, Trade and Defence Committee in September 2009 as part of the treaty examination process and is still under consideration by the Committee.
Horizontal issues

46 Horizontal issues are a major new feature of TPP. They cover regional integration, competitiveness, SMEs, regulatory coherence and development. In the long term some of these chapters are potentially an important means of pushing for better and more consistent regulatory practice across the TPP membership, partly reflecting our positive experience in CER with efforts to achieve more coherence and efficiency in regulatory practice on opposite sides of the Tasman.

Further information on horizontal issues is provided in Annex B.

Membership

48 TPP continues to generate a high level of interest around the region. Japan’s Prime Minister Kan announced in November 2010 that Japan would look into joining TPP as part of a programme of domestic agricultural and regulatory reform.

Consultation

49 The following departments have been consulted in the preparation of this paper and concur with its recommendations: Ministry of Agriculture and Forestry, New Zealand Customs Service, Ministry of Economic Development, Ministry for the Environment, Ministry of Health, Department of Labour, Reserve Bank of New Zealand, and The Treasury. The Department of Prime Minister and Cabinet has also been consulted.
Financial and Other Resource Implications

50 TPP has turned into a large undertaking. 400 negotiators and 100 stakeholders attended the round in Auckland, and this number has increased for subsequent rounds. The scale and complexity of the TPP process has put heavy demands on all participant countries.

- $S \in (a)$;
- $S \in (b) C:$.;

51 Fiscal costs of TPP are likely to include the following components, incurred across different departments and over a number of years:

(a) Negotiations: includes preparatory work leading to negotiation rounds, outsourcing of analysis to external consultants, travel, consultation and outreach. These costs will be incurred for the duration of the negotiations;

(b) Implementation: includes costs arising from changes to domestic policy settings and ‘operational’ costs (such as increased transparency and consultation requirements). This is likely to be the most significant area of new costs;

- $S \in (c).$;

(d) Tariffs: reduction in tariff levels resulting in reduced Crown revenue.

52 Costs are expected to be higher overall than those incurred for past FTAs because of the size of the TPP group, the breadth of the negotiating agenda and the likely emphasis on continuing regulatory cooperation after entry into force.

53 Officials will provide detailed information to Cabinet on cost and funding issues as the negotiation proceeds and the implications become clearer. Meanwhile negotiators will continue to work for TPP outcomes that deliver long-term economy-wide benefits well in excess of these direct financial costs.

Human Rights Implications

54 This paper contains no proposals inconsistent with the Human Rights Act 1993 or the New Zealand Bill of Rights Act 1990. (Professor Jane Kelsey has requested that the Human Rights Commission examine the wider implications of TPP for New Zealand’s international and domestic human rights obligations.)
Legislative Implications

55 Domestic legislation will need to be amended to enable fulfilment of the international legal obligations assumed under the TPP. Amendments are likely to be required to the Tariff Act 1988 to enable the application of preferential tariff rates and special transitional safeguard provisions to imported goods and amendments to regulations under the Customs and Excise Act 1996 to reflect agreed rules of origin.

Regulatory Impact Analysis

56 An extended National Interest Analysis (incorporating a Regulatory Impact Analysis) will be presented to Cabinet when negotiations have concluded and the Trans-Pacific Partnership is submitted for approval for signature. Prior to that, as noted in CAB ERD (09) 4/6, if and when decisions are required from Ministers that may require legislative or regulatory change for implementation, assessments of regulatory impact will be provided.

Publicity

57 TPP has attracted a high level of public attention, particularly as a result of Round 4 being held in Auckland in December 2016. Officials have consciously taken a more open approach to stakeholder and media engagement, including a major stakeholder programme in the margins of the Auckland round, some on the record comments to media, and launching a regular internet column presented by the negotiating team. Negotiators propose to continue to share information proactively wherever possible.

Recommendations

The Minister of Trade recommends that the Committee:

General Approach

- 

Tariffs and rules of origin

- 

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OFFICIAL INFORMATION ACT

OFFICIAL INFORMATION ACT
Textiles

Other goods-related areas (trade remedies, SPS, TBT)

Intellectual Property

Government procurement, competition policy

Services issues

Temporary Entry for Business Persons
RELEASED UNDER THE OFFICIAL INFORMATION ACT
Horizontal issues

Further consultation

22. Direct officials to seek instructions from interested Ministers in cases where developments in the negotiation put pressure on established New Zealand policy positions in specific areas of the negotiation;

23. Note that the Minister of Trade will seek further Cabinet guidance at the point where New Zealand is under pressure to make substantial concessions in areas of particular domestic sensitivity and risk.

Hon Tim Groser
Minister of Trade
Annex A: Intellectual property:

\[ s \in \{2\}, s \in \{e\}(v) \]

withheld in full:

- \[ s \in \{4\} \]
- \[ s \in \{e\}(v.) \]
- \[ s \in \{2\}(d) \]
- \[ s \in \{2\}(c) \]
Annex B

This annex provides supplementary detail on technical barriers to trade, intellectual property, services and investment market access, legal and institutional issues and ‘horizontal’ issues.

Technical Barriers to Trade

\[
\text{will lead:}
\]

- $\mathcal{G}(\mathcal{A})$
- $\mathcal{G}(\mathcal{B})(\mathcal{C})$
- $\mathcal{G}(\mathcal{D})(\mathcal{E}):(\mathcal{F})$
- $\mathcal{G}(\mathcal{G})(\mathcal{H})$
- $\mathcal{G}(\mathcal{I})(\mathcal{J})$
- $\mathcal{G}(\mathcal{K})(\mathcal{L})$
- $\mathcal{G}(\mathcal{M})(\mathcal{N})$

Intellectual Property (IP)
RELEASED UNDER THE OFFICIAL INFORMATION ACT
The major issues associated with strengthening protections for TPMs include:

- restricting consumer access to digital copyright works generally, which may result in increased prices and decreased choice;
- limiting the ability of consumers to experience works on technology platforms of their choice, for example by requiring that a smartphone can only run certain applications; and
- preventing a person from exercising legitimate exceptions to copyright (called permitted acts under New Zealand law), such as for educational use in schools.

These issues are likely to become more acute as we increasingly consume digital works as opposed to analogue ones. However, if an appropriate balance in domestic law can be maintained by providing legitimate exceptions to TPM protections, the impact of strengthening the protections themselves is unlikely to be great.
WIPO Copyright Treaty

New Zealand is not currently a party to the World Intellectual Property Organisation (WIPO) Copyright Treaty (WCT). This treaty sets out substantial protections for copyright owners over the internet.

WIPO Performances and Phonograms Treaty

The WIPO Performances and Phonograms Treaty (WPPT) provides more extensive rights than currently provided in New Zealand law to performances that are fixed in phonograms (such as a sound recording of a live concert or play). New Zealand law provides a performer with limited exclusive rights to allow the fixation of their performance in a phonogram and to prevent the live broadcast of their performance. The WPPT extends these rights to allow a performer to prevent the reproduction, distribution, rental, and making available to the public of their performances that are fixed in phonograms.

Extension of performers' rights under the WPPT was considered when the Copyright (New Technologies) Amendment Act 2008 updated the Copyright Act to account for the internet. During the review that occurred prior to the amendments, performers did not raise a serious need or desire for their rights to be extended. The decision not to ratify the WPPT was partly made on these grounds. Additionally, for several years WIPO has been in the process of negotiating a companion treaty to protect performances in audio-visual works. This factored into the decision not to ratify the WPPT, as it was preferred to wait until the outcome of negotiations for an audio-visual treaty was known. The audio-visual treaty is still under development.

Patents: Grace Period

Many countries have a grace period provision in their patent law. Under such a provision, public disclosure of an invention before a
patent application is filed may not, depending on circumstances, prevent the grant of a patent on that invention, provided a domestic patent application is filed within a prescribed period (usually six or twelve months).

Australia, Canada and Japan, among others (but not New Zealand) have 12 month grace period provisions that apply to disclosures made by the inventor, or to disclosures made by third parties where the information was obtained from the inventor and published without the inventor's consent. In the US, the grace period applies to any disclosure of an invention, regardless of who made the disclosure, provided a US patent application is made within 12 months of the disclosure.
Legal and Institutional Issues

Anti-corruption

In 2010, the G20, in releasing an Anti-Corruption Action Plan, identified corruption as one of the main impediments to increased international trade and economic growth.

- $\mathfrak{g} \in \mathcal{A}$
- $\mathfrak{g} \in \mathcal{B} \setminus \mathcal{C}$

The inclusion in the Transparency chapter of obligations concerning anti-corruption is also consistent with the broader objectives of the TFP, including to facilitate the cross-border movement of goods and services among the Parties. $\mathfrak{g} \in \mathcal{A}$, $\mathfrak{g} \in \mathcal{B} \setminus \mathcal{C}$

we have an established international reputation for having low levels of, and zero tolerance for, corruption. $\mathfrak{g} \in \mathcal{A}$, $\mathfrak{g} \in \mathcal{B} \setminus \mathcal{C}$
RELEASED UNDER THE OFFICIAL INFORMATION ACT
RELEASED UNDER THE
OFFICIAL INFORMATION ACT
Horizontal issues cover regional integration, competitiveness, SMEs, regulatory coherence, and development.

withheld:
- s 6 (a),
- s 6 (b) (c),
- s 6 (d),
- s 6 (e) (f),
- s 9 (2) (3),
- s 9 (4) (5),
- s 9 (6) (d),
- s 9 (7) (6).

'Horizontal Issues'