

Submission by



to the

New Zealand Ministry of Foreign Affairs & Trade

on the

**Consultation on Export Controls Proposals:
Strengthening New Zealand's Export Controls Regime**

10th February 2026

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1. Our Recommendations

- **Deemed Export/Domestic Controls: Controlled Technology Transfers [Part 3, Element 1]**
ExportNZ's preference is Option 3: *Deemed Export/Domestic Controls: NZSGL Part 1 and Part 2 Sensitive and Very Sensitive with Trusted Suppliers Having Delegated Authority to Self-Administer Controls.*
- **Disclosure of Controlled Information through Domestic Publication [Part 3, Element 2]**
ExportNZ's preference is Option 2: *Controls on Disclosures of Controlled Information Through Domestic Publication.*
- **Intangible Technology Transfers from New Zealand to persons overseas [Part 4]**
ExportNZ's preference is for Option 3: *Controls on a narrower range of ITT from New Zealand to recipients and/or with exemptions for transfers to some countries.*
- **Intangible Technology Transfers made by New Zealand and Permanent Residents when Overseas [Part 5]**
ExportNZ's preference is for Option 2: *Controls on NZSGL Part 1 and Part 2 Sensitive & Very Sensitive ITT transfers made by New Zealand persons and permanent residents when overseas.*
- **Controls on Goods and Technology Previously Supplied from New Zealand [Part 6]**
ExportNZ's preference would be for the Ministry to work with the sector on a reasonable regime for previously supplied goods and technology from New Zealand. At this stage we do not support the recommend option.
- **Extending exemptions for primary system through-life support [Part 7]**
ExportNZ's preference is for Option 2: *Extend permit exemptions for 'through-life' support to all NZSGL primary systems exported from New Zealand.*
- **Introducing Graduated Warnings & Penalties [Part 8]**
ExportNZ's preference is for Option 2: *Introducing a range of graduated warnings and penalties.*
- **Permit-Free Regime with Australia**
ExportNZ supports New Zealand and Australia building a more integrated trans-Tasman defence market and allowing permit-free trade in NZSGL goods and technologies.
- **Impact to Immigration Settings**
Export NZ recommends a trusted business framework to enable ease of global mobility for high value exporting companies operating within the export controls regime.
- **Closing Comments**
The Ministry should position itself as a proactive enabler of responsible and compliant exporting practices across all goods, technologies, and services, including those deemed sensitive.
- The Ministry has a range of responsibilities in administering New Zealand's export control framework. ExportNZ considers that one of its core responsibilities is to ensure that regulations and associated processes are proportionate, risk-based, and not unnecessarily burdensome for compliant exporters.

2. Introduction

- 2.1 This submission is by Export New Zealand (ExportNZ), a division of Business New Zealand and part of the Business New Zealand Network (see Annex 1.).
- 2.2 The role of Export New Zealand is to:
 - Provide effective advocacy and lobbying on behalf of exporters,
 - Inspire New Zealand firms to engage in exporting to expand their business horizons and grow internationally,
 - Provide practical support programmes and networking events to help firms achieve these goals.
- 2.3 ExportNZ has contributed to this work in previous years and welcomes the opportunity to engage again in this consultation.
- 2.4 We understand that the Export Controls team within the Ministry of Foreign Affairs & Trade (MFAT) has engaged widely within the sector with export business affected by the proposed changes.
- 2.5 ExportNZ supports the submissions made by exporting businesses directly impacted by the changes. This submission will briefly discuss our support for various options and make some other observations.

3. Our Understanding of the Proposal's Objectives

- 3.1 ExportNZ understands that the consultation document's objectives are to help the Ministry modernise the export controls frameworks to reflect today's security, technology, and geopolitical realities.
- 3.2 ExportNZ recognises that New Zealand operates in a constantly shifting global environment, marked by rising geopolitical uncertainty and increasing risks of foreign interference, espionage, and coercion carried out by both state and non-state actors. We acknowledge that advancements in technology and the emergence of new methods of interference have created new vulnerabilities that existing frameworks were not designed to address.
- 3.3 The current export controls regime is largely focused on the movement of physical goods. This consultation seeks to modernise that framework to better manage risks associated with New Zealand-origin technology, know-how, and intellectual property, and to limit the potential for these to be misused, diverted, or exploited—particularly where such misuse could contribute to military capability, weapons proliferation, or foreign interference.
- 3.4 The proposal also seeks to align New Zealand closer with trusted partners and multilateral export control regimes. New Zealand needs to ensure we are a credible, interoperable, and consistent with comparable regimes overseas, and ensure that New Zealand does not become a vulnerable, weak link in global supply chains because of the lack of checks and balances on intangible technology transfers (ITT).
- 3.5 ExportNZ recognises the need for a strengthened, forward-looking regulatory regime that is capable of addressing these evolving risks and meeting future challenges.
- 3.6 We understand that the scope of this proposal is narrow and only ITT included on the New Zealand Strategic Goods List (NZSGL) would be affected by what has been

proposed. By the Ministry's estimation, this would currently affect "dozens of export companies, rather than hundreds".

4. ExportNZ's Overall Position on Export Controls

- 4.1 ExportNZ supports a robust and credible export control framework that protects New Zealand's national security interests and meets its international obligations, while enabling legitimate trade, research, and innovation. Export controls should be proportionate, risk-based, and aligned with international best practice, particularly with trusted partner jurisdictions.
- 4.2 The Ministry should administer the framework in a transparent, predictable, and supportive manner, providing clear guidance, timely advice, and practical assistance to enable compliant exporters to meet their obligations with confidence. Regulatory processes should reflect actual levels of risk and minimise unnecessary administrative burden, including through streamlined pathways for low-risk and repeat exporters.
- 4.3 It is also important that the export control system supports openness to innovation and emerging technologies. A clear and forward-looking regulatory environment will help ensure that New Zealand remains attractive for international collaboration and advanced technology development, including in defence and dual-use sectors.
- 4.4 Overall, a proportionate and innovation-supportive approach will strengthen New Zealand's competitiveness and reputation as a trusted trading partner.

5. Proposals and Preferred Option

5.1 Deemed Export/Domestic Controls: Controlled Technology Transfers **[Part 3, Element 1]**

ExportNZ's preference is Option 3: *Deemed Export/Domestic Controls: NZSGL Part 1 and Part 2 Sensitive and Very Sensitive with Trusted Suppliers Having Delegated Authority to Self-Administer Controls.*

- 5.2 There is scope to have a "trusted supplier" category for exporters supplying NZSGL Part 1 and Part 2 Sensitive and Very Sensitive technology to a foreign person within New Zealand.
- 5.3 We would understand there being a high level of expectation and previous engagement between the Ministry and the exporter in order to become a "trusted supplier", however we think the time savings for qualified export companies could be of value to said companies.
- 5.4 Given that the transfers would take place within New Zealand, we believe there would be other checks and balances that would also provide safeguards and help manage risks for the "trusted supplier".
- 5.5 ExportNZ understands that there are "trusted supplier" schemes that some our closest partner countries employ when dealing with exporters they have had a long-term relationship with. Examples being the Authorised Economic Operator (AEO) scheme in the European Union, and the Trusted Trade programme in the United States of America.

5.6 The feedback we received is that while these schemes can be a lot of frontloaded work to ensure the company qualifies, they can be very valuable depending on the company's size, volume of exports, and efficiencies that each company can find.

5.7 **Disclosure of Controlled Information through Domestic Publication**
[Part 3, Element 2]

ExportNZ's preference is Option 2: *Controls on Disclosures of Controlled Information Through Domestic Publication*.

5.8 ExportNZ would anticipate the likelihood of the publication of controlled information to be low, as doing so would risk intellectual property ownership and commercial sensitivity, among other consequences for the supplier. Requiring a permit to do so would make suppliers liable to penalties and fines introduced through this consultation, which we support.

5.9 We understand that the risks associated with the publication of controlled information differ for other institutions (such as universities and research organisations), and that there is a need to balance risk management objectives with academic freedom, open research practices, and the broader public interest in knowledge sharing and innovation.

5.10 **Intangible Technology Transfers from New Zealand to persons overseas**
[Part 4]

ExportNZ's preference is for Option 3: *Controls on a narrower range of ITT from New Zealand to recipients and/or with exemptions for transfers to some countries*.

5.11 **Intangible Technology Transfers made by New Zealand and Permanent Residents when Overseas** **[Part 5]**

ExportNZ's preference is for Option 2: *Controls on NZSGL Part 1 and Part 2 Sensitive & Very Sensitive ITT transfers made by New Zealand persons and permanent residents when overseas*.

5.12 The Ministry should further explain why their preferred option in Part 4 of the consultation document includes no country exemptions, whereas the preferred option in Part 5 would allow for some country exemptions – the only obvious difference being the location of the New Zealand supplier.

5.13 ExportNZ has long supported a sensitive exports regime that is risk-based and proportionate, including the use of exemptions or expedited approval processes for countries with strong strategic alignment and close regulatory cooperation with New Zealand. Where partner countries maintain export control systems that are comparable to, or more stringent than, New Zealand's, and where the risk of diversion or proliferation to non-aligned jurisdictions is low, regulatory processes should be streamlined to facilitate legitimate trade while maintaining appropriate safeguards.

5.14 **Controls on Goods and Technology Previously Supplied from New Zealand**
[Part 6]

ExportNZ's preference would be for the Ministry to work with the sector on a reasonable regime for previously supplied goods and technology from New Zealand. At this stage we do not support the recommend option.

5.15 Some feedback commented that it would be unrealistic to require an end-user certificate (EUC) for some transactions, re-exports, or re-transfers, for example, consumer goods and technologies, and people-to-people knowledge transfers.

5.16 The Ministry could look at adopting a “harm-based” approach, whereby the level of reporting and approval required would be proportionate to the potential risk and level of harm the product or technology could reasonably cause to New Zealand’s security interests, international obligations, or broader strategic objectives.

5.17 Regardless of the regime, we support a widened scope where an EUC would not be required to include other “trusted partner” countries, i.e. countries with similar export controls, and that align strategically with New Zealand.

5.18 New Zealand’s process for EUCs for re-exported and re-transferred goods and technology should take into account the regulatory frameworks and compliance processes of the country from which the goods or technology are being re-exported or transferred. Where robust checks and balances are already in place, there should be a strong presumption in favour of waiving additional New Zealand requirements.

5.19 Any control framework should be proportionate to risk and designed to minimise unnecessary regulatory burden on compliant exporters. Duplication of oversight where equivalent controls already exist increases costs, delays transactions, and reduces New Zealand’s competitiveness without delivering corresponding security benefits.

5.20 Clear, consistent, and predictable processes for re-export and re-transfer approvals are essential to support long-term commercial relationships, trusted supply chains, and international collaboration. Exporters require regulatory certainty to plan investment, innovation, and market expansion.

5.21 **Extending exemptions for primary system through-life support [Part 7]**
ExportNZ’s preference is for Option 2: *Extend permit exemptions for ‘through-life’ support to all NZSGL primary systems exported from New Zealand.*

5.22 Given the original primary system will already require a permit and go through the export controls regime, ExportNZ does not believe it would be necessary for suppliers and buyers to go through the same process should they require parts, sub-systems, replacement items, support, patches, or upgrades to the original primary system.

5.23 **Introducing Graduated Warnings & Penalties [Part 8]**
ExportNZ’s preference is for Option 2: *Introducing a range of graduated warnings and penalties.*

5.24 ExportNZ supports the statement in the consultation document, “*Our intention is to educate and encourage people to comply with export controls and focus prosecutions on the most serious offending.*” (p. 44)

5.25 The vast majority of exporters and suppliers are responsible actors and have no intention of proliferating military/strategic use goods and technology to bad actors and putting New Zealand’s national security at risk.

5.26 ExportNZ believes that there is a need to enforce penalties in the form of financial fines, and other enforcement measures in a way that is equal to the offence.

5.27 We would expect the Ministry to work transparently with the industry to establish a fair system of graduated warnings and penalties, and for further consultation on this system.

5.28 ExportNZ also expects a period of grace for suppliers and exporters as the new regime comes into force. There may be errors as the sector adjusts to the new

regime, and the Ministry should look to work with businesses to ensure they become compliant, rather than looking to enforce penalties in the first instance.

- 5.29 The rise in foreign coercion, interference, and espionage is concerning and can lead to suppliers unknowingly supplying military and dual-use goods and technologies to bad actors.
- 5.30 ExportNZ strongly supports comprehensive and ongoing education and engagement initiatives relating not only to the new ITT regime, but also to the wider export controls framework and the Ministry's current assessment of global proliferation risks and emerging threats. Effective outreach will be essential to ensuring that exporters clearly understand their obligations and are equipped to comply with the regulatory regime.
- 5.31 The Ministry should use this process as an opportunity to deepen its engagement with industry and to foster a collaborative, trust-based relationship with the sector. This includes providing practical guidance, real-world examples, and accessible training resources to help exporters identify and manage risks, conduct appropriate due diligence, and avoid inadvertent involvement with bad actors, diversion networks, or proliferators.
- 5.32 By strengthening exporter capability and awareness, the Ministry can help embed a strong culture of compliance across the sector, reduce unintentional breaches, and support New Zealand businesses to operate confidently and responsibly in complex international markets.
- 5.33 ExportNZ would also expect the Ministry to be open to early engagement from suppliers and exporters who are researching and exploring new market opportunities. The ability to offer early guidance on market requirements and restrictions can minimize the effort and cost to companies if they find at early stages that they are not permitted to export to certain markets.
- 5.34 **Provisional Decisions (Appeals) Process [Part 9]**
ExportNZ supports the establishment of a provisional decision-making process and appeals process. However, we would need to consult further with the sector on what would be a fair timeframe and process. Given that there is legislation required to implement the new regime, we anticipate there being further consultation as the Ministry works to develop the new system.

6. Other Comments

- 6.1 **Permit-Free Regime with Australia**
ExportNZ supports New Zealand and Australia building a more integrated trans-Tasman defence market and allowing permit-free trade in NZSGL goods and technologies.
- 6.2 Given the close economic, regulatory, and strategic relationship between the two countries, the high degree of alignment between their export control frameworks, and the integrated nature of trans-Tasman supply chains, a permit-free arrangement would significantly reduce compliance costs, minimise administrative duplication, and improve commercial efficiency. Such an approach would strengthen bilateral cooperation, support innovation and joint capability development, and allow regulatory resources to be focused on higher-risk destinations, while maintaining appropriate safeguards.

6.3 Small-to-medium enterprises are essential contributors to New Zealand's innovation ecosystem, yet they continue to face significant procurement barriers in both New Zealand and Australia. Enabling New Zealand suppliers in this sector to access the Australian market as domestic suppliers would open substantial commercial opportunities for SMEs, support business growth, and strengthen trans-Tasman innovation and supply chains.

6.4 **Impact to Immigration Settings**

The problem definition broadly notes the changing risk profile and macrotrends, we would note further work is needed on how strict the country of birth exclusion criteria should be. An individual who has lived most of their life, been educated, been vetted and worked in a security partner country shouldn't be excluded completely, noting this would lead to New Zealand missing out on skills and knowledge of people that do not likely present a national security threat. New Zealand's independent foreign policy enables a more nuanced approach, and given global competition for skills and expertise, a more nuanced approach may be necessary in exceptional circumstances in the application to individuals.

6.5 BusinessNZ has advocated for immigration settings with:

- 6.5.1 A graduated risk approach for businesses, noting that companies need access to international skills and expertise and the current 'one size fits all' approach creates delays and drag in the system, cost, project delays and missed opportunities for firms. There is potential to link a high-trust immigration model to the trusted suppliers' framework to mitigate time delays and cost for firms and ensure risk is targeted appropriately.
- 6.5.2 Ease of mobility through trusted countries. NZ has introduced visa-free travel for Chinese and Pacific Island visitors who hold a tourism visa to Australia. BusinessNZ considers there is scope to expand immigration and security partnerships with some countries to reduce the duplication of vetting processes if operating in a trusted business framework as described above. Co-ordination across government, business and research organisations to ensure there is a shared and current understanding of national security risks, and a continuous improvement approach to risk management can be balanced with ensuring ease of mobility for international skills that contribute to New Zealand.
- 6.5.3 Further work is needed on understanding whether the country of birth is a risk indicator or being used as a key discriminating factor under security settings. International research and education have broader networks that are not necessarily as geopolitically aligned as national security. For example, opportunities for NZ in science and research globally have been expanded by entering the Horizon EU Research Fund which also provides access to research networks across a range of countries, many of whom would not be deemed a security partner to New Zealand. While the research fund is aimed at addressing Sustainable Development Goals, inclusion of digital technologies creates a nascent risk that research could be used for military purposes, noting that there is an increasing opportunity of civilian technology being applied for military use.
- 6.5.4 It is recommended that the Ministry work closely with universities, research institutions and businesses to ensure the system reflects a level of sophistication in responding to a rapidly evolving global environment, while not excluding NZ from research opportunities and networks that would contribute to national advancement.

6.5.5 An individual born in a country that may be considered a security threat, but has lived, been educated and worked in a country that is a security partner to New Zealand, for example, should have a pathway for due consideration.

6.6 **Business and Institutional Compliance**

A clear regulatory regime, informed by affected partners, led by technical experts and with clear feedback loops to inform effectiveness, is necessary. Regulatory settings need to be mindful of imposing cost and unnecessary administration, particularly given that firms and institutions don't have access to the same information and resources as security services.

6.7 Innovation and exporting are key platforms for the New Zealand economy, with active growth industries in areas like aerospace. In addition to the regulatory settings in the consultation paper, MFAT should give consideration to other mechanisms to minimise national security risk and incorporate these into its broader regulatory framework. For example, approved 'regulatory sandpits' for sensitive technology testing to ensure firms are able to operate and generate value in New Zealand.

6.8 Another mechanism of assurance to be explored is where firms are subject to high standards via procurement requirements, and whether these are aligned to the export controls regime to minimise duplication of unnecessary administration and compliance.

7. Closing Comments

6.1 The Ministry should position itself as a proactive enabler of responsible and compliant exporting practices across all goods, technologies, and services, including those deemed sensitive. This includes providing clear guidance, timely advice, and practical support to exporters, so that businesses are able to meet regulatory requirements with confidence while continuing to innovate, compete internationally, and contribute to New Zealand's economic growth.

7.1 There are a number of countries and regions with which New Zealand shares common values and broadly aligned approaches to export controls. As noted in the review document, these include Australia, the United States, the European Union, the United Kingdom, Japan, Korea, and Canada. Alignment with these partners directly supports trusted research collaborations, joint technology development, and the establishment of secure supply chains.

7.2 The Ministry has a range of responsibilities in administering New Zealand's export control framework. ExportNZ considers that one of its core responsibilities is to ensure that regulations and associated processes are proportionate, risk-based, and not unnecessarily burdensome for compliant exporters. Regulatory requirements should be aligned with the actual level of risk posed to New Zealand's security, international obligations, and strategic interests.

7.3 In practice, this requires streamlined and simplified approval processes for controlled items, particularly when exports are destined for trusted partner countries. Given that these jurisdictions operate export control regimes that are comparable to, and in some cases more stringent than, New Zealand's, the risk associated with onward re-

export is low, as such activity is subject to robust oversight within their own regulatory systems.

7.4 Consistent with this approach, permit requirements for exports to trusted partners should be minimal and straightforward. Where residual concerns remain, these can be addressed through a product risk assessment framework that considers potential harm, enabling controls to be reduced without compromising security objectives.

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ANNEX 1.

ABOUT BUSINESS NEW ZEALAND

The BusinessNZ Network is New Zealand's largest business organisation, representing:

- Business groups [EMA](#), [Business Central](#), [Major Companies Canterbury](#), and [Business South](#)
- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand's largest businesses
- [Gold Group](#) of medium-sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
- [Buy NZ Made](#) - country of origin licensing organisation for NZ-made products, NZ-grown ingredients, and NZ-coded software services

The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

ABOUT EXPORT NEW ZEALAND

ExportNZ is a national industry association representing a diverse range of exporters throughout New Zealand. ExportNZ is a division of BusinessNZ, New Zealand's peak business advocacy body.

We are a membership organisation and have approximately 2,000 export members around the country.

ExportNZ advocates for, inspires, connects, and celebrates New Zealand exporters. We aim to build a thriving ecosystem that supports each other.

We are exporters helping exporters.

