

NEW ZEALAND ELECTRONIC COMMERCE POLICY

Electronic commerce is a vital part of New Zealand's emerging knowledge-based economy. New Zealand Government policy is that the private sector should lead the development of electronic commerce and that the role of government is to remove impediments. This document is a brief outline of New Zealand's response to the main issues. A full outline can be found on the New Zealand Government Electronic Commerce web site at <http://www.ecommerce.govt.nz>.

Trade

New Zealand's involvement internationally focuses on APEC, the OECD and the WTO. As APEC Chair in 1999, New Zealand was pleased with the emphasis APEC Trade Ministers placed on electronic commerce in their joint statement, in particular the encouragement of economies to consider the UNCITRAL Model Law in developing their regulatory frameworks. New Zealand welcomed the APEC Leaders' commitment to continuing efforts to create a favourable environment for e-commerce in co-operation with the private sector. New Zealand supports an indefinite extension of the decision at the May 1998 WTO Ministerial Meeting not to impose new duties on electronic transmissions.

Tax

The main concerns raised by the growth of electronic commerce are firstly, whether existing tax policy is sufficiently robust to address any new and existing issues, and secondly, whether electronic commerce activities pose a threat to the revenue base through avoidance and evasion. The policy and administrative issues will continue to be addressed and monitored at a domestic level. Because of the global nature of electronic commerce it is also important that international co-operation continues with respect to taxation issues. The Government supports New Zealand's continued involvement in international fora such as the OECD and APEC.

Tariffs

On the surface, the Internet does not have immediate implications for New Zealand's import tariff policy. Goods ordered across borders via this medium are treated, on importation, the same as consignments initiated through other means. New Zealand has scheduled the phased removal of all tariffs between 2001 (most goods) and 2006.

Security

Specific policy issues arise from the need for authorisation and integrity on the one hand, and message privacy on the other. New Zealand is a signatory of the Wassenaar Arrangement and the OECD Guidelines on Cryptography. Domestically there is no restriction on the use or importation of cryptographic products. There is no requirement for keys to be held by trusted third parties or in escrow.

Privacy

New Zealand's Privacy Act applies to the handling of all personal information collected or held by agencies, whether in the public or private sectors. All businesses from sole traders to multi-national conglomerates with a New Zealand branch are covered by the Act. A minor exception is the news media in their news activities. Personal information includes any information about an identifiable living person held in whatever form, whether it is on a computer, in a paper file or otherwise. Policy consideration is being given to two non-controversial amendments that would secure New Zealand's place on a projected "white list" of countries regarded as providing adequate standards of data protection for personal data transmitted from Europe.

Consumer

New Zealand's consumer protection laws and self-regulatory frameworks are technology-neutral. Provided they are dealing with a New Zealand-based trader, New Zealand consumers have the same rights irrespective of whether the transaction is carried out electronically or by traditional means. They may also have the same consumer protection cover if dealing with a trader based *outside* New Zealand who has agreed to comply with the provisions of New Zealand consumer protection legislation.

Legislation

The New Zealand Law Commission has undertaken a review to determine whether existing commercial laws are sufficient to accommodate the needs of those engaged in electronic commerce. A report on electronic commerce to be published in October 1999 will include recommendations on the form of any reforms proposed as a result of submissions made to the Commission. Many of the recommendations will be based on the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Commerce.

Intellectual Property Rights

The Ministry of Commerce's intellectual property rights work programme includes the development of a strategic overview of copyright, especially emphasising the impact of new technology. Assessment is also being made of the two World Intellectual Property Organisation (WIPO) treaties concluded in December 1996 on copyright, and performances and phonograms. With respect to the issue of trade marks and domain names, no legislative change is required at present to provide additional protection as to date the courts have been able to appropriately deal with conflicts in this area in New Zealand.

Government as a Role Model

The government has released a vision statement for electronic government in New Zealand: "E-government will harness people and technology to revolutionise the delivery of government services to New Zealanders. The new services will be tailored, inexpensive, easy to use, personal and friendly." Already companies can be registered online in a world-first initiative, and employers file tax returns electronically. As well New Zealand is one of the world leaders in the use of paperless trading in cross-border trade.

For further information on all these issues see <http://www.ecommerce.govt.nz>.