

INTERNATIONAL COMPLIANCE

MEET RULES AND REGULATIONS IN EXPORT MARKETS

KEY TOPICS

- Why compliance matters
- Building your compliance checklist
- Finding answers on compliance
- Product standards and liability
- Packaging and labelling
- Barcodes and tracking chips
- Marking
- How does compliance work for online sales?
- Next steps
- Where to go for help
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**EXPORT
ESSENTIALS
GUIDES**



Are your products or services ready to be sold overseas? Trading rules, product standards and regulations can be very different from country to country. You need to meet all the relevant rules before you launch your products or services into a new market, to protect yourself and your business.

Why compliance matters

Non-compliance in an overseas market won't just slow down your market entry and growth – it can put your whole business at risk.

If you don't meet the regulations of the country you're exporting to, you're likely to face delays, extra costs, legal action, or even prosecution if the breach is serious.

It's important to get every aspect of compliance right, from the very beginning. Figuring it out as you go can put your business at huge risk, so don't leave anything to chance. Make sure you get an industry or market professional to review your practices before you begin exporting.

Building your compliance checklist

Here are some of the areas you might need to look at as part of export compliance:

- Product standards and regulations
- Import regulations
- Packaging – including materials, size, sustainability and recycling
- Labelling – including naming, contact details, country of origin, product information, and instructions
- Tariffs and duties, including import quota if relevant
- Export insurance (if needed)
- Export documentation

- Product liability (for goods), or professional liability (for services)
- Trading regulations, including rules around employing staff in-market.

For each product you sell, and each market you're selling it in, build a checklist of all the compliance requirements you'll need to consider and work through it piece by piece.

To get you started, take a look at our sample Compliance Checklist online here:

 nzte.govt.nz/tools-and-templates/international-compliance

Finding answers on compliance

International compliance and regulations can be complicated, especially when you might have requirements to meet at national, local and customer level all in the same export market. The key to getting it right is knowing where to go for help.

You should try to learn as much as possible about compliance yourself, but it's always best to work with professionals to help manage the process, so you don't miss or overlook anything.

Start talking with people who are already exporting to your target market to find out some of the lessons they've learned, and who they work with to cover their compliance needs.

Get together a list of people and organisations that can help you understand and meet your compliance requirements, or connect you with experts who can help.

Here's a starting point for building your network:

Within New Zealand

- Your industry or trade association
- Regional economic development agencies – often part of your local council
- Chambers of commerce, BusinessNZ and ExportNZ
- Standards New Zealand
- Government agencies that provide export assurances – such as MPI for food or primary products

In your export market

- In-market industry associations
- Government websites or compliance organisations
- Local regulatory consultants
- Importers, agents or distributors
- Other New Zealand businesses active in your target market.

Reach out to NZTE in New Zealand if you get stuck or aren't sure who to talk to next.



GET LOCAL ADVICE

It's hard to spot some compliance requirements from a distance. In-market professional advice can be invaluable and can save you time and money overall. Importers and agents can also give you on-the-ground information about legal requirements and local issues to be aware of.

Compliance costs

You might have to spend money on equipment, software or specialist advice to be compliant for your export market, or make some changes to the way you produce your product or service.

Make an allowance for these costs when you're putting together your export plan and budget – and make sure you also take taxes and tariffs into account when working out your pricing.

Product standards

It's essential to make sure your product complies with the relevant standards in your chosen market before shipping any goods.

Some product standards are performance-based, and describe how products should behave under real-world conditions – for example, ladders might need to be able to carry a set weight without bending or breaking. Other standards require products to be made of particular materials or ingredients, or to be recyclable or bio-degradable once they reach the end of their life.

Product safety and quality standards can be very strict and tightly enforced in some markets, especially for categories like food or children's toys. You might be hit with heavy fines or criminal prosecution if you sell products that don't meet the standards.

Start by looking for relevant compliance organisations online, contact Standards New Zealand, and also talk to your relevant industry associations for current standards.



LEARNING FROM THE COMPETITION

If you sell consumer products and are visiting a potential export market, take a look at your competitors' products on the shelves and note down any compliance marks you see on their product or packaging. This can help you get started on researching the product standards you need to meet.

Product and professional liability

Some countries have product liability legislation which could make you, your distributor or your retailer legally responsible if your products cause injury or damage. Check who is legally responsible for the safety of the products you make and sell, and get legal advice on how to best to protect yourself and gain cover against legal action.

Product liability settlements can be expensive, particularly in the United States where million-dollar settlements are not unusual. Wherever possible you should have the appropriate insurance for product liability. Remember to include this as another cost in your pricing.

Your first level of protection is to make sure your product meets specifications, has any relevant safety warnings on the package, and has clear instructions for use. These are often the minimum criteria before insurers will offer you product liability coverage.

Consider talking to a lawyer who is familiar with your market – New Zealand Trade and Enterprise (NZTE) may be able to refer you to in-market professionals who other New Zealand companies have worked with on similar issues.

Packaging and labelling

Check in-market packaging and labelling regulations early on in the process. Requirements vary across different markets. You might need to use different materials and packaging sizes, or translate some or all of your pack and label information into foreign languages.

Talk to someone already manufacturing goods for your intended market if possible. Your industry association or local Chamber of Commerce may be able to recommend a business contact you can talk to.

Packaging regulations can control:

- Materials and their use
- Packaging size and construction
- Sustainability requirements – including reusable or recyclable packaging
- What claims you can make about your product's benefits
- Languages to be used on packaging (and for what information)
- Special requirements for perishable or hazardous materials.

Product labelling and marking regulations protect consumers by providing essential information on the product. They can cover:

- Descriptions of the materials used
- Country of origin information

- Care or use instructions
- Flammability warning labels (especially for clothing)
- Instructions for disposal of the product.

Regulations for food and beverage products can be extra-detailed. You might need to give information on:

- Product form, such as smoked or frozen
- Additives, colourings or flavour enhancers
- Allergen information
- Name and address of your importer
- Country of origin, and potentially name and address of manufacturer
- Date of manufacturing, product expiry or best-before date
- Storage requirements to meet shelf life
- Ingredients in order of relative importance (often by weight)
- Instructions for preparation or use – especially any warnings or precautions
- Weight and volume in the importing country's recognised measurements
- Translated information in the required language of the importing country.

PRODUCT LIFE CYCLE REGULATIONS



Some overseas markets require manufacturers to take ‘cradle to grave’ responsibility for products and packaging. This means you might need to set up a system for consumers to return your packaging, products, or any hazardous components (like batteries) so that you can recycle or dispose of them safely. Make sure you factor any requirements of this type into your cost structure and pricing.

Bar codes and tracking

Bar coding or product numbering is essential in many export markets. Many big buyers and end users now expect to electronically track products all the way through the supply chain, from ordering through to inventory control and retail.

You'll need to have an individual code assigned to every variation of product that you supply – by colour, size, flavour and packaging format. You may need to encode this using bar codes, tracking chips or both, depending on the product type and market regulations (as well as what your buyers expect).

Each country has a coding authority which assigns codes to manufacturers and maintains a central database. Your distributor or agent should be able to advise you which codes are required.

Marking for transport

Marking regulations apply to transport containers, and vary from country to country. Freight forwarders, shipping companies or airlines can advise on current requirements. These can include:

- Gross and/or net weight or volumetric measure
- Serial and invoice numbers
- Container dimensions
- Name and address of importer
- Transit instructions

- Country of origin
- Handling instructions – using internationally accepted symbols or words
- Translated information for the destination country, or countries your goods are passing through.

Make sure your markings are clear and durable, so they can be read and understood easily all the way from your factory to the end customer.

Online compliance

If you sell products or services online, you'll still need to meet compliance requirements, as well as having clear terms and policies in place when dealing with customers online.

- **Show all of your terms and conditions very clearly on your website** – including terms of trade, refunds and returns, guarantees, and your privacy policy. If warranties, guarantees, returns or after-sales service don't apply to overseas purchases, make this clear.
- **Give your physical location in New Zealand** and tell online customers how any disputes will be resolved.
- **Tell customers which currency applies for pricing.** If needed, providing a currency converter can make purchases easier. Make sure you mention extra shipping or insurance charges, as these are often left out.

- **Establish strong security for customers' payment details and personal data.** Customers need reassurance when buying online, especially internationally. Some markets (for instance the EU) also have strict rules around data collection and privacy that you need to meet when selling to local consumers online, even if you're based outside the market.
- **Ask an expert to evaluate your online trading systems,** to make sure they meet best practice.
- **Make sure you have all the required insurance cover** – remember that product liability risk still applies for online sales.

Where to go for help

Regional Business Partners

The Regional Business Partner Network (RBP) has specialist growth advisors available to provide you with advice, information and connections to support your business.

 regionalbusinesspartners.co.nz

Ministry of Foreign Affairs and Trade (MFAT)

MFAT acts to promote and protect New Zealand's interests abroad, including trade and market access for New Zealand businesses. MFAT maintains an online Tariff Finder that helps goods exporters see what benefits they can get under different Free Trade Agreements, and what duty rates are likely to apply to their products. Access the Tariff Finder online at

 tariff-finder.fta.govt.nz

Ministry for Primary Industries (MPI)

MPI provides trusted assurances to importing countries that New Zealand primary products meet their requirements. MPI's Overseas Market Access Requirements (OMARs) resources set out standards which have been agreed between the New Zealand government and foreign governments.

 mpi.govt.nz

Industry and trade associations

Industry or trade associations are organisations founded and funded by businesses operating in a particular industry. You can search an online list of more than 60 industry and trade associations via BusinessNZ's Affiliated Industries Group.

 businessnz.org.nz/about-us/aig

Customs Brokers and Freight Forwarders Federation (CBAFF)

CBAFF is New Zealand's national federation of freight forwarders and customs brokers, affiliated with the wider transport industry. You can access a list of members online for help with logistics and export requirements.

 cbaff.org.nz

Standards New Zealand

Standards New Zealand can supply standards from other international standards bodies, to confirm requirements that your products need to meet in overseas markets.

 standards.co.nz

New Zealand Customs Service

Sometimes you will need to obtain firm rulings from overseas customs authorities on duties in their market for specific products. You can find a comprehensive list of these authorities via the New Zealand Customs Service online library: customs.govt.nz/library

 customs.govt.nz



Useful tools

Our Compliance Checklist is a great place to get started – check it out online here:

 nzte.govt.nz/tools-and-templates/international-compliance

You'll also find more useful tools and templates, including an Export Plan template:

 nzte.govt.nz/tools-and-templates

Get a fuller picture of exporting with our other Export Essentials Guides, available for download at

 nzte.govt.nz/export-assistance/export-essentials-guides

The New Zealand Story is a free toolkit that provides a simple set of brand values, images, videos and presentations that can help you define your value proposition and promote your business offshore.

 nzstory.govt.nz



About NZTE

Export Essentials resources are brought to you by New Zealand Trade and Enterprise (NZTE), New Zealand's international business development agency. We exist for one purpose: to grow businesses internationally, bigger, better and faster, for the good of New Zealand.

We're here to help you get the right focus and information at the right time in your exporting journey, whether you need practical help to get started, a deep partnership to develop a fully global business, or anywhere in between.

Find out more at nzte.govt.nz/about or get in touch with us: nzte.govt.nz/contact-us

Go further with Export Essentials Workshops

Wherever you want to take your business next, it's good to know you're on the right track. NZTE's Export Essentials Workshops put you in full control of your export plans, using lessons learnt by New Zealand businesses in markets around the world.

Find out more and register for upcoming workshops at nzte.govt.nz/essentials

