H.E. Wang Wentao Minister of Commerce People's Republic of China

26 January 2021

Dear Minister

In connection with the signing on this date of the *Protocol to Upgrade the Free Trade Agreement between the Government of the People's Republic of China and the Government of New Zealand* (the "Protocol"), I have the honour to confirm the following understanding shared by the Governments of New Zealand and China in relation to strengthening cooperation in the field of trade in cosmetic products.

Within the Joint Technical Barriers to Trade Committee established under Article 14 of Chapter 8 (Technical Barriers to Trade) of the *Free Trade Agreement between the Government of New Zealand and the Government of the People's Republic of China* (the "Agreement"), New Zealand and China will:

- a) exchange information and discuss policies, regulations and actions related to trade in cosmetic products to identify opportunities for further cooperation;
- b) notify each other, through the contact points established in Article 100 of the Agreement, of changes to policies, regulations and standards related to cosmetic products that could significantly affect trade;
- cooperate to support the facilitation of trade in cosmetic products between New Zealand and China, including the reduction of barriers to trade affecting cosmetic products;
- d) cooperate to explore validated alternatives to animal testing for cosmetic products to strengthen international regulatory alignment and trade in the cosmetic sector; and
- e) cooperate to reduce the likelihood of animal testing for New Zealand manufactured cosmetic products in the Chinese market, where there is sufficient available alternative safety information.

This understanding will be reviewed following a two year period from the date of your reply in accordance with Chapter 8 (Technical Barriers to Trade) of the Agreement. The review will assess any amendments required to this understanding as a result of changes to policies, regulations and standards related to trade in cosmetic products by New Zealand or China in that period.

I have the further honour to propose that this letter and your letter in reply should constitute the shared understanding between the Government of New Zealand and the Government of the People's Republic of China and will come into effect on the date on which the Protocol enters into force for the Parties.

Yours sincerely

Hon Damien O'Connor Minister for Trade and Export Growth New Zealand Hon Damien O'Connor Minister for Trade and Export Growth New Zealand

26 January 2021

Dear Minister

I have the honour to refer to your letter of 26 January 2021, which reads as follows:

"H.E. Wang Wentao Minister of Commerce People's Republic of China

26 January 2021

Dear Minister

In connection with the signing on this date of the Protocol to Upgrade the Free Trade Agreement between the Government of the People's Republic of China and the Government of New Zealand (the "Protocol"), I have the honour to confirm the following understanding shared by the Governments of New Zealand and China in relation to strengthening cooperation in the field of trade in cosmetic products.

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- a) exchange information and discuss policies, regulations and actions related to trade in cosmetic products to identify opportunities for further cooperation;
- b) notify each other, through the contact points established in Article 100 of the Agreement, of changes to policies, regulations and standards related to cosmetic products that could significantly affect trade;
- c) cooperate to support the facilitation of trade in cosmetic products between New Zealand and China, including the reduction of barriers to trade affecting cosmetic products;
- cooperate to explore validated alternatives to animal testing for cosmetic products to strengthen international regulatory alignment and trade in the cosmetic sector; and

e) cooperate to reduce the likelihood of animal testing for New Zealand manufactured cosmetic products in the Chinese market, where there is sufficient available alternative safety information.

This understanding will be reviewed following a two year period from the date of your reply in accordance with Chapter 8 (Technical Barriers to Trade) of the Agreement. The review will assess any amendments required to this understanding as a result of changes to policies, regulations and standards related to trade in cosmetic products by New Zealand or China in that period.

I have the further honour to propose that this letter and your letter in reply will confirm the shared understanding between the Government of New Zealand and the Government of the People's Republic of China and will come into effect on the date on which the Protocol enters into force for the Parties.

Yours sincerely

Hon Damien O'Connor Minister for Trade and Export Growth New Zealand"

I have the honour to confirm that this letter and your letter in reply should constitute the shared understanding between the Government of the People's Republic of China and the Government of New Zealand on this matter and will come into effect on the date on which the Protocol enters into force for the Parties.

Yours sincerely

H.E. Wang Wentao Minister of Commerce People's Republic of China