Hon Simon Watts, Minister of Revenue

Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia – Information Release

September 2026

List of documents included in this proactive release

#	Reference	Type	Title	Date
01	BN2026/277	Briefing note	Information release for review – FPS-24-MIN-0021, FSP-25-MIN-0031, and LEG-26-MIN-0172: Double Tax Agreements with the Republic of Slovenia and the republic of Croatia	18 September 2026
02	FPS-24-SUB-0021	Paper	Approval to Sign Double Tax Agreement with Slovenia	20 August 2024
03	FPS-24-MIN-0021	Minute	Approval to Sign Double Tax Agreement with Slovenia	20 August 2024
04	CAB-24-MIN-0312	Minute	Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 23 August 2024	26 August 2024
05	FPS-25-SUB-0031	Paper	Approval to Sign Double Tax Agreement with Croatia	5 November 2025
06	FPS-25-MIN-0031	Minute	Approval to Sign Double Tax Agreement with Croatia	5 November 2025
07	CAB-25-MIN-0394	Minute	Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 7 November 2025	10 November 2025
08	LEG-26-SUB-0172	Paper	Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia	20 August 2026
09	LEG-26-MIN-0172	Minute	Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia	20 August 2026
10	CAB-26-MIN-0278	Minute	Report of the Cabinet Legislation Committee: Period Ended 21 August 2026	24 August 2026

Additional information

The Cabinet paper for the approval to sign the agreement with Slovenia was considered by the Cabinet Foreign Policy and National Security Committee on 20 August 2024 and confirmed by Cabinet on 26 August 2024.

The Cabinet paper for the approval to sign the agreement with Croatia was considered by the Cabinet Foreign Policy and National Security Committee on 5 November 2025 and confirmed by Cabinet on 10 November 2025.

The Cabinet paper for the Orders in Council for the agreements was considered by the Cabinet Legislation Committee on 20 August 2026 and confirmed by Cabinet on 24 August 2026.

Six attachments to these Cabinet papers are not included in this information release as they are publicly available:

- Agreement between New Zealand and the Republic of Slovenia for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance

- National Interest Analysis: Agreement between New Zealand and the Republic of Slovenia for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance
- The Agreement between New Zealand and the Republic of Croatia for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance
- National Interest Analysis: Agreement between the Republic of Croatia and New Zealand for the elimination of double taxation with respect to taxes on income and the prevention of tax evasion and avoidance
- Double Tax Agreements (Republic of Slovenia) Order 2026
- Double Tax Agreements (Republic of Croatia) Order 2026

Information withheld

The only information withheld is information not in scope.

Availability

This proactive release is available on Inland Revenue's Tax Policy website here: Publications.

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Accessibility

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Briefing note

Reference	BN2026/277
Date	18/09/2026
To	Revenue Advisor, Minister of Revenue - Angela Graham Private Secretary, Minister of Revenue – Melissa Zhen
From	Ken Zhou
Subject	**Information release for review – FPS-24-MIN-0021, FPS-25-MIN-0031, and LEG-26-MIN-0172: Double Tax Agreements with the Republic of Slovenia and the Republic of Croatia**

Overview

1 This information release covers the Cabinet papers and associated minutes for approval to sign, and subsequently implement by Orders in Council, the Double Tax Agreements with the Republic of Slovenia and the Republic of Croatia.

2 The Cabinet paper LEG-26-SUB-0172 was considered by the Cabinet Legislation Committee on 20 August 2026 (LEG-26-MIN-0172) and confirmed by Cabinet on 24 August 2026 (CAB-26-MIN-0278). This Cabinet paper gave regulatory effect to decisions made following the Cabinet Foreign Policy and National Security Committee's consideration of the following Cabinet papers:

- FPS-24-SUB-0021 on 20 August 2024 (FPS-24-MIN-0021), which was confirmed by Cabinet on 26 August 2024 (CAB-24-MIN-0312), and
- FPS-25-SUB-0031 on 5 November 2025 (FPS-25-MIN-0031), which was confirmed by Cabinet on 10 November 2025 (CAB-25-MIN-0394).

Documents in this release

3 These documents are included in the information release:

Ref	Title	Date	Information withheld
FPS-24-SUB-0021	Approval to Sign Double Tax Agreement with Slovenia	20 August 2024	No information withheld
FPS-24-MIN-0021	Approval to Sign Double Tax Agreement with Slovenia	20 August 2024	No information withheld
CAB-24-MIN-0312	Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 23 August 2024	26 August 2024	Some out of scope information withheld
FPS-25-SUB-0031	Approval to Sign Double Tax Agreement with Croatia	5 November 2025	No information withheld
FPS-25-MIN-0031	Approval to Sign Double Tax Agreement with Croatia	5 November 2025	No information withheld

CAB-25-MIN-0394	Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 7 November 2025	10 November 2025	Some out of scope information withheld
LEG-26-SUB-0172	Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia	20 August 2026	No information withheld
LEG-26-MIN-0172	Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia	20 August 2026	No information withheld
CAB-26-MIN-0278	Report of the Cabinet Legislation Committee: Period Ended 21 August 2026	24 August 2026	Some out of scope information withheld

Information withheld

4 Some information in CAB-24-MIN-0312, CAB-25-MIN-0394, and CAB-26-MIN-0278 is withheld as being not in scope of this release.

5 The text of the two double tax agreements and the two national interest analyses attached to the Cabinet papers for the approvals to sign the agreements are not included in the information release, as they are all publicly available.

Key advice papers

6 Cabinet Office Circular CO (23) 4 states that "Ministers may also choose to proactively release related key advice papers provided to the Minister by departments or agencies.". If the Minister would like to include any key advice papers as part of this proactive release, please let us know.

Risks and issues

7 We do not consider there are any risks or issues with this information release.

Consultation

8 The Treasury and the Ministry of Foreign Affairs and Trade were informed of the information release.

9 Officials of Slovenia and Croatia were consulted on this release and had no objections.

Approval

10 The draft information release was reviewed and approved by Sam Rowe, Policy Lead.

Deadline for publishing

11 The Cabinet paper LEG-26-SUB-0172 stated that the proactive release of the paper, associated minutes, and key advice papers would be delayed until Slovenia and Croatia have agreed to the release. Both countries have since agreed to the proactive release so it can now proceed.

Attachments

12 Attached is the draft information release with redactions applied – the only information redacted is information that is out of scope for this proactive release.

13 Attached are:

#	Description
1	The draft proactive release with proposed redactions marked, but not applied.
2	The draft information release with redactions applied.

Ken Zhou

Policy Advisor

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Office of the Minister of Foreign Affairs

Office of the Minister of Revenue

Chair, Cabinet Foreign Policy and National Security Committee

APPROVAL TO SIGN DOUBLE TAX AGREEMENT WITH SLOVENIA

Proposal

1 This paper requests that Cabinet authorise the signing, and the steps necessary to bring into force, the *Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Slovenian DTA"). The text of the Slovenian DTA is attached as an **Annex I**.

Relation to Government Priorities

2 The Slovenian DTA would promote Government priorities by maintaining our international reputation and supporting the growth of international trade.

Executive Summary

3 Officials have concluded negotiations with Slovenia for a new double tax agreement (DTA).

4 Generally, the purpose of a DTA is to reduce tax impediments to cross-border services, trade and investment without creating opportunities for tax avoidance or evasion. DTAs also enable tax administrations to assist each other in detecting and preventing tax avoidance and evasion, and in enforcing their tax laws.

5 New Zealand was able to secure all of its key negotiating positions in the Slovenian DTA. The Slovenian DTA also includes all of the major anti-abuse model provisions developed as part of the OECD's Base Erosion and Profit Shifting work. The Slovenian DTA therefore represents a good precedent for New Zealand in future negotiations with other jurisdictions.

6 The reason we prioritised the Slovenian DTA was to strengthen our treaty network with other OECD member states and to complement the Free Trade Agreement (FTA) we were negotiating with the European Union (EU). New Zealand is subject to an express recommendation issued by the OECD Council for member countries to pursue efforts to conclude DTAs with other OECD member countries. DTAs also help to maximise the benefits of FTAs. New Zealand currently has DTAs, or has concluded negotiations, with 14 of the 27 EU member states. The Slovenian DTA is one of several being progressed with the other 13 members.

7 While trade and investment with Slovenia has not historically been high, there is potential for future growth in cross-border activity with both the Slovenian DTA and the New Zealand-EU FTA in force.

8 This paper seeks Cabinet's approval for the Slovenian DTA to be signed.

9 It also seeks the approval of the national interest analysis (NIA) prepared in respect of this agreement. The extended NIA will be attached when the agreement is submitted for parliamentary treaty examination under Standing Order 405 of the House of Representatives. The extended NIA is attached as **Annex II**.

10 Finally, approval is also sought for the necessary steps to be taken to bring the agreement into force after it has been signed, as described in paragraph 16.

Background

11 DTAs are bilateral treaties that are principally designed to promote economic ties between countries by reducing tax impediments to cross-border trade and investment. More specifically, DTAs provide greater certainty of tax treatment, share the cost of relieving double taxation, limit withholding tax rates on dividends, interest, and royalties, and exempt certain short-term activities from taxation in the state where those activities take place (the "source state"). They also enable the tax administrations of the treaty countries to assist each other in the detection and prevention of tax avoidance and evasion by establishing a mechanism for exchanging information between the tax authorities of the treaty countries (New Zealand is also party to the Multilateral Convention on Mutal Administrative Assistance in Tax Matters which gives similar information exchange abilities). New Zealand currently has 40 bilateral DTAs in force.

Analysis

12 New Zealand does not have an existing DTA with Slovenia. Negotiations on the Slovenian DTA began in 2020, at the request of Slovenia. New Zealand agreed to negotiate the DTA for strategic and foreign policy reasons. A key reason is that Slovenia is a member of the EU, so the Slovenian DTA can help maximise the benefits from the New Zealand-EU FTA. New Zealand is also subject to an express recommendation issued by the OECD Council for member countries to pursue efforts to conclude DTAs with other OECD member countries (such as Slovenia).

13 The Slovenian DTA represents a good outcome for New Zealand as both jurisdictions favour a greater focus on source taxation (as opposed to residence taxation). As a result, New Zealand was able to secure agreement on important negotiating positions. The Slovenian DTA also includes all of the key base erosion and profit shifting model anti-abuse provisions.

14 One key way in which the Slovenian DTA departs from New Zealand's negotiating model is that it exempts interest earned by certain government entities from tax. The exemption is reciprocal, so it applies to New Zealand government entities as well as Slovenian ones. New Zealand has agreed to similar exemptions before with Canada, Japan, Hong Kong, Singapore, Australia, and others. The exemption is limited to passive investment where the government entity holds less than 10 percent of the

shares in the borrower, consistent with New Zealand's DTA policy. This ensures that the exemption is not available where the government owns an active business, so the government entity cannot strip profits out of New Zealand using exempt interest payments.

15 The full text of the Slovenian DTA is attached as **Annex I** and the extended NIA is attached as **Annex II**. The key features of the Slovenian DTA are set out in the extended NIA.

Next steps

16 The next step will be to sign the Slovenian DTA, likely by the Heads of Mission in capitals on a date agreed by New Zealand and Slovenia.

17 This paper also seeks approval for the necessary steps to be taken to bring the DTA into force after it has been signed. This will involve:

17.1 *Parliamentary treaty examination*. Pursuant to previous Cabinet decisions as to the application of Standing Order 405 to DTAs, all DTAs and protocols that amend DTAs must undergo parliamentary treaty examination. The Slovenian DTA and its extended NIA will therefore need to be presented in the House for consideration by Select Committee.

17.2 *An Order in Council*. After treaty examination is complete, an Order in Council will be drafted and presented to the Cabinet Legislation Committee for submission to the Executive Council. Passing the Order in Council would give the DTA the force of law in New Zealand, pursuant to section BH 1 of the Income Tax Act 2007.

17.3 *Exchange of diplomatic notes*. After completing the previous steps, and pursuant to requirements set out in the Entry into Force Article of the Slovenian DTA, diplomatic notes will be exchanged with Slovenia. This will bring the agreement into force.

Financial Implications

18 Data limitations prevent officials from estimating the revenue costs of entering DTAs with any degree of precision. In general, DTAs constrain New Zealand's ability to tax certain income and can therefore be expected to result in some reduction of New Zealand tax in some circumstances. However, DTAs are reciprocal in nature so there is also expected to be an offsetting increase in New Zealand tax. This is because, under domestic law, New Zealand tax residents usually receive a foreign tax credit for tax paid overseas, even in the absence of a DTA. Since a DTA also constrains the other country's ability to tax certain income, it can reduce the foreign tax credits given by New Zealand and therefore increase the amount of New Zealand tax revenue.

19 A DTA therefore shares the costs of alleviating double taxation between the two countries in accordance with commonly accepted international tax principles. In a

DTA between countries with reciprocal levels of trade and investment, the offsets are expected to be broadly equal over time.

20 Given the limited existing trade and investment flows between Slovenia and New Zealand, any reduction of New Zealand tax as a result of the DTA is expected to be negligible. The reductions are also likely to be offset by potential revenue gains from increased cross-border trade and investment, and reduced tax evasion and avoidance resulting from the exchange of information provisions in the Slovenian DTA. Therefore, the Slovenian DTA is not expected to have a fiscal cost.

Legislative Implications

21 As is usual practice for DTAs, the Slovenian DTA will be given effect by an Order in Council under the Income Tax Act 2007. The Slovenian DTA will then override specified domestic legislation (the Inland Revenue Acts, the Official Information Act 1982, and the Privacy Act 1993). The override only applies in respect of tax and is subject to certain exceptions (for example, the DTA will not override the general anti-avoidance rule in the Income Tax Act).

22 The Order in Council will be submitted to Cabinet following the signing of the new DTA and the successful completion of the parliamentary treaty examination process.

Impact Analysis

Regulatory Impact Assessment

23 The Treasury's Regulatory Impact Analysis team has determined that this proposal for a DTA between Slovenia and New Zealand is exempt from the requirement to provide a Regulatory Impact Statement (RIS) on the grounds that it would substantively duplicate the extended NIA (see Annex II). This exemption is granted on the condition that the NIA contains all the requirements that would otherwise be included in the RIS. The internal panel at Inland Revenue has reviewed the document and confirmed that it contains these requirements.

24 The Quality Assurance reviewer at Inland Revenue has reviewed the extended NIA *National Interest Analysis Double Tax Agreement with the Republic of Slovenia* prepared by Inland Revenue and considers that the information and analysis summarised in the NIA **meets** the quality assurance criteria.

Climate Implications of Policy Assessment

25 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that CIPA requirements do not apply to this proposal as it not expected to result in any significant, direct emissions impacts.

Population Implications

26 The Slovenian DTA is not expected to have any impact on Māori, children, seniors, disabled people, women, people who are gender diverse, Pacific peoples, veterans, rural communities, and ethnic communities.

Human Rights

27 No inconsistencies with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993 have been identified.

Consultation

28 The Treasury was consulted in the preparation of this Cabinet paper. The Department of Prime Minister and Cabinet was informed.

29 The NIA was prepared by Inland Revenue, who consulted the Treasury and the Ministry of Foreign Affairs and Trade in its preparation.

30 No specific private sector consultation was undertaken for the Slovenian DTA. Consistent with international practice, officials generally do not consult on the content of tax treaties as New Zealand, like most jurisdictions, does not make its treaty negotiating model public.

Communications

31 The text of the Slovenian DTA will be made available on Inland Revenue's tax policy website after the treaty has been signed. The extended NIA will be publicly available on the Parliament website following parliamentary treaty examination. Appropriate media statements and announcements will be made at key steps during the entry into force process, including signature.

Proactive Release

32 We propose to delay the proactive release of this Cabinet paper, associated minutes, and key advice papers in whole until the appropriate signatures have been obtained, and Slovenia has agreed to the release. The release will be subject to redaction as appropriate under the Official Information Act 1984.

Recommendations

The Minister of Foreign Affairs and the Minister of Revenue recommend that the Committee:

1 **note** that officials have negotiated the *Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Slovenian DTA"), attached as **Annex I**.

2 **approve** the text of the Slovenian DTA, subject to any minor or technical changes arising from the process of legal verification;

3 **agree** that New Zealand sign the Slovenian DTA;

4 **approve** the extended National Interest Analysis (NIA) prepared in relation to the Slovenian DTA, attached as **Annex II**;

5 **note** that, following signature, the text of the Slovenian DTA and its accompanying extended NIA will be presented to the House of Representatives for parliamentary treaty examination, in accordance with Standing Order 405;

6 **invite** the Minister of Revenue to instruct the Parliamentary Counsel Office to draft the Order in Council to give effect to the Slovenian DTA;

7 **note** that, following the signing and satisfactory completion of parliamentary treaty examination, the Order in Council will be presented to the Cabinet Legislation Committee for submission to the Executive Council for approval;

8 **note** that, if the Order in Council is made, the Slovenian DTA will be incorporated into New Zealand domestic law, pursuant to section BH 1 of the Income Tax Act 2007;

9 **authorise** officials, following signature, satisfactory completion of parliamentary treaty examination and promulgation of the Order in Council, to bring the Slovenian DTA into force by exchanging diplomatic notes with Slovenia.

Authorised for lodgement

Rt Hon Winston Peters

Minister of Foreign Affairs

Hon Simon Watts

Minister of Revenue

FPS-24-MIN-0021

Cabinet Foreign Policy and National Security Committee

Minute of Decision

Approval to Sign Double Tax Agreement with Slovenia

Portfolios **Foreign Affairs / Revenue**

On 20 August 2024, the Cabinet Foreign Policy and National Security Committee:

1 **noted** that officials have negotiated the Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance and its accompanying Protocol (collectively, "the Slovenian DTA"), attached as Annex I to the submission under FPS-24-SUB-0021;

2 **approved** the text of the Slovenian DTA, subject to any minor or technical changes arising from the process of legal verification;

3 **agreed** that New Zealand sign the Slovenian DTA;

4 **approved** the extended National Interest Analysis (NIA) prepared in relation to the Slovenian DTA, attached as Annex II to the submission under FPS-24-SUB-0021;

5 **noted** that, following signature, the text of the Slovenian DTA and its accompanying extended NIA will be presented to the House of Representatives for Parliamentary treaty examination, in accordance with Standing Order 405;

6 **invited** the Minister of Revenue to instruct the Parliamentary Counsel Office to draft the Order in Council to give effect to the Slovenian DTA;

7 **noted** that, following the signing and satisfactory completion of Parliamentary treaty examination, the Order in Council will be presented to the Cabinet Legislation Committee for submission to the Executive Council for approval;

8 **noted** that, if the Order in Council is made, the Slovenian DTA will be incorporated into New Zealand domestic law, pursuant to section BH 1 of the Income Tax Act 2007;

9 **authorised** officials, following the signature, satisfactory completion of Parliamentary treaty examination and promulgation of the Order in Council, to bring the Slovenian DTA into force by exchanging diplomatic notes with Slovenia.

Jenny Vickers
Committee Secretary

Attendance: (see over)

Present:
Rt Hon Christopher Luxon
Rt Hon Winston Peters (Chair)
Hon David Seymour
Hon Nicola Willis
Hon Judith Collins
Hon Mark Mitchell
Hon Nicola Grigg

Officials present from:
Office of the Prime Minister
Officials Committee for FPS
Office of the Chair of FPS

Cabinet

Minute of Decision

Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 23 August 2024

On 26 August 2024, Cabinet made the following decisions on the work of the Cabinet Foreign Policy and National Security Committee for the period ended 23 August 2024

FPS-24-MIN-0021	**Approval to Sign Double Tax Agreement with Slovenia** Portfolios: Foreign Affairs / Revenue	CONFIRMED

Not in scope

Rachel Hayward
Secretary of the Cabinet

Office of the Minister of Foreign Affairs

Office of the Minister of Revenue

Chair, Cabinet Foreign Policy and National Security Committee

APPROVAL TO SIGN DOUBLE TAX AGREEMENT WITH CROATIA

Proposal

1 This paper requests that Cabinet approve the signing, and the steps necessary to bring into force the *Agreement between the Republic of Croatia and New Zealand for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Croatian DTA"). The text of the Croatian DTA is attached as **Annex I**.

Relation to Government priorities

2 The Croatian DTA would promote Government priorities by maintaining our international reputation and supporting the growth of international trade.

Executive summary

3 Officials have concluded negotiations with Croatia for a new double tax agreement (DTA).

4 Generally, the purpose of a DTA is to reduce tax impediments to cross-border services, trade, and investment without creating opportunities for tax avoidance or evasion. DTAs also enable tax administrations to assist each other in detecting and preventing tax avoidance and evasion, and in enforcing their tax laws.

5 The Croatian DTA represents a good precedent for New Zealand in future negotiations with other jurisdictions as New Zealand was able to secure all of its key negotiating positions.

6 This paper seeks Cabinet's approval for the Croatian DTA to be signed.

7 It also seeks the approval of the extended national interest analysis (NIA) prepared in respect of the Croation DTA. The extended NIA will be attached when the agreement is submitted for parliamentary treaty examination under Standing Order 405 of the House of Representatives. The extended NIA is attached as **Annex II**.

8 Finally, approval is also sought for the necessary steps to be taken to bring the agreement into force after it has been signed, as described in paragraph 15.

Background

9 DTAs are bilateral treaties that are principally designed to promote economic ties between countries by reducing tax impediments to cross-border trade and investment. More specifically, DTAs:

9.1 provide greater certainty of tax treatment,

9.2 share the cost of relieving double taxation,

9.3 limit withholding tax rates on dividends, interests, and royalties, and

9.4 exempt certain short-term activities from taxation in the state where those activities tax place (the "source states").

10 They also enable the tax administrations of the treaty countries to assist each other in the detection and prevention of tax avoidance and evasion by establishing a mechanism for exchanging information between the tax authorities of the treaty countries (New Zealand and Croatia are also party to the Multilateral Convention on Mutual Administrative Assistance in Tax Matters which gives similar information exchange abilities). New Zealand currently has 41 bilateral DTAs in force.

Analysis

11 New Zealand does not have an existing DTA with Croatia. Negotiations on the Croatian DTA began in 2025, following a longstanding request from Croatia for a DTA which has been raised in various diplomatic settings over the years. New Zealand agreed to negotiate the DTA for strategic and foreign policy reasons. A key reason is that Croatia is a member of the European Union (EU), so the Croatian DTA would complement the free trade agreement (FTA) we had recently negotiated with the EU. Historically, trade and investment with Croatia have been low, but total trade have been trending upwards.[1] However, there is potential for future growth in cross-border activity with both the Croatian DTA and the EU FTA in force. In addition, New Zealand has a Croatian community of approximately 100,000 people and their presence was a contributing factor in the negotiation of a DTA with Croatia.[2]

12 New Zealand was able to secure all of its key negotiating positions in the Croatian DTA, including all of the major anti-abuse model provisions developed as part of the OECD's Base Erosion and Profit Shifting (BEPS) work. The Croatian DTA adds to a strong treaty record and represents a good precedent for New Zealand in future negotiations with other jurisdictions.

13 The full text of the Croatian DTA is attached as **Annex I** and the extended NIA is attached as **Annex II**. The key features of the Croatian DTA are set out in the extended NIA.

[1] Total trade has grown from $12 million to $32 million over the last decade.
[2] Croatia | New Zealand Ministry of Foreign Affairs and Trade

Implementation

14 The next step will be to sign the Croatian DTA. We have been informed that the Croatian Deputy Prime Minister is planning to visit New Zealand in November, which would be a good opportunity to sign the Croatian DTA.

15 This paper also seeks approval for the necessary steps to be taken to bring the DTA into force after it has been signed. This will involve:

15.1 *Parliamentary treaty examination*. Pursuant to previous Cabinet decisions as to the application of Standing Order 405 to DTAs, all DTAs and protocols that amend DTAs must undergo parliamentary treaty examination. The Croatian DTA and its extended NIA will therefore need to be presented in the House for consideration by Select Committee.

15.2 *An Order in Council*. After treaty examination is complete, an Order in Council will be drafted and presented to the Cabinet Legislation Committee for submission to the Executive Council. Passing the Order in Council would give the DTA the force of law in New Zealand, pursuant to section BH 1 of the Income Tax Act 2007.

15.3 *Exchange of diplomatic notes*. After completing the previous steps, and pursuant to requirements set out in the Entry into Force Article of the Croatian DTA, diplomatic notes will be exchanged with Croatia. This will bring the agreement into force.

Financial implications

16 Data limitations prevent officials from estimating the revenue costs of entering DTAs with any degree of precision. In general, DTAs constrain New Zealand's ability to tax certain income and can therefore be expected to result in some reduction of New Zealand tax in some circumstances. However, DTAs are reciprocal in nature so there is also expected to be an offsetting increase in New Zealand tax. This is because, under domestic law, New Zealand tax residents usually receive a foreign tax credit for tax paid overseas, even in the absence of a DTA. Since a DTA also constrains the other country's ability to tax certain income, it can reduce the foreign tax credits given by New Zealand and therefore increase the amount of New Zealand tax revenue.

17 A DTA therefore shares the costs of alleviating double taxation between the two countries in accordance with commonly accepted international tax principles. In a DTA between countries with reciprocal levels of trade and investment, the offsets are expected to be broadly equal over time.

18 Given the limited existing trade and investment flows between Croatia and New Zealand, any reduction of New Zealand tax as a result of the DTA is expected to be negligible. The reductions are also likely to be offset by potential revenue gains from increased cross-border trade and investment, and reduced tax evasion and avoidance resulting from the exchange of information provisions in the Croatian DTA. Therefore, the Croatian DTA is not expected to have a fiscal cost.

Legislative implications

19 As is usual practice for DTAs, the Croatian DTA will be given effect by an Order in Council under the Income Tax Act 2007. The Croatian DTA will then override specific domestic legislation (the Inland Revenue Acts, the Official Information Act 1982, and the Privacy Act 2020). The override only applies in respect of tax and is subject to certain exceptions (for example, the DTA will not override the general anti-avoidance rule in the Income Tax Act).

20 The Order in Council will be submitted to Cabinet following the signing of the new DTA and the successful completion of the parliamentary treaty examination process.

Impact analysis

Regulatory impact assessment

21 The Ministry for Regulation has determined that this proposal is exempt from the requirement to provide a separate Regulatory Impact Statement on the grounds that it would substantively duplicate the extended NIA. This exemption is granted on the condition that the NIA contains all the requirements that would otherwise be included in the RIS. The quality assurance panel at Inland Revenue has reviewed the extended NIA and confirmed that it contains all of the requirements that would otherwise be in the RIS. The assessors consider that the information and analysis summarised in the extended NIA **meets** the quality assurance criteria.

Climate implications of policy assessment

22 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this policy proposal, as the threshold for significance is not met.

Population implications

23 The Croatian DTA is not expected to have any impact on Māori (as individuals, iwi, hapū, and whanau), children, seniors, disabled people, women, people who are gender diverse, Pacific peoples, veterans, rural communities, and ethnic communities.

Human rights

24 No inconsistencies with the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993 have been identified.

Consultation

25 The Treasury and the Ministry of Foreign Affairs and Trade were consulted in the preparation of this Cabinet paper. No substantive comments were made. The Department of the Prime Minister and Cabinet was informed.

26 The extended NIA was prepared by Inland Revenue, who consulted the Treasury and the Ministry of Foreign Affairs and Trade in its preparation.

27 No specific private sector consultation was undertaken for the Croatian DTA. Consistent with international practice, officials generally do not consult on the content of tax treaties as New Zealand, like most jurisdictions, does not make its treaty negotiating model public.

Communications

28 The text of the Croatian DTA will be made available on Inland Revenue's tax policy website after the treaty has been signed. The extended NIA will be publicly available on the Parliament website following parliamentary treaty examination. Appropriate media statements and announcements will be made at key steps during the entry into force process, including signature.

Proactive release

29 We propose to delay the proactive release of this Cabinet paper, associated minutes, and key advice papers in whole until the appropriate signatures have been obtained, and Croatia have agreed to the release. The release will be subject to redaction as appropriate under the Official Information Act 1984.

Recommendations

The Minister of Foreign Affairs and the Minister of Revenue recommends that the Committee:

1 **note** that officials have negotiated the *Agreement between the Republic of Croatia and New Zealand for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Croatian DTA"), attached as **Annex I**.

2 **approve** the text of the Croatian DTA, subject to any minor or technical changes arising from the process of legal verification.

3 **agree** that New Zealand sign the Croatian DTA.

4 **authorise** officials to make any minor or technical amendments to the Croatian DTA before signature.

5 **approve** the extended National Interest Analysis (NIA) prepared in relation to the Croatian DTA, attached as **Annex II**.

6 **agree** that, following signature, the text of the Croatian DTA and its accompanying extended NIA will be presented to the House of Representatives for parliamentary treaty examination, in accordance with Standing Order 405.

7 **invite** the Minister of Revenue to instruct the Parliamentary Counsel Office to draft the Order in Council to give effect to the Croatian DTA.

8 **note** that, following the signing and satisfactory completion of parliamentary treaty examination, the Order in Council will be presented to the Cabinet Legislation Committee for submission to the Executive Council for approval.

9 **note** that, if the Order in Council is made, the Croatian DTA will be incorporated New Zealand domestic law, pursuant to section BH 1 of the Income Tax Act 2007.

10 **authorise** officials, following signature, satisfactory completion of parliamentary treaty examination and promulgation of the Order in Council, to bring the Croatian DTA into force by exchanging diplomatic notes with Croatia.

Authorised for lodgement

Rt Hon Winston Peters

Minister of Foreign Affairs

Hon Simon Watts

Minister of Revenue

Cabinet Foreign Policy and National Security Committee

Minute of Decision

Approval to Sign Double Tax Agreement with Croatia

Portfolios **Foreign Affairs / Revenue**

On 5 November 2025, the Cabinet Foreign Policy and National Security Committee:

1 **noted** that officials have negotiated the *Agreement between the Republic of Croatia and New Zealand for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, 'the Croatian DTA'), attached as Annex 1 to the submission under FPS-25-SUB-0031;

2 **approved** the text of the Croatian DTA, subject to any minor or technical changes arising from the process of legal verification;

3 **agreed** that New Zealand sign the Croatian DTA;

4 **authorised** officials to make any minor or technical amendments to the Croatian DTA before signature;

5 **approved** the extended National Interest Analysis (NIA) prepared in relation to the Croatian DTA, attached as Annex 2 to the submission under FPS-25-SUB-0031;

6 **agreed** that, following signature, the text of the Croatian DTA and its accompanying extended NIA be presented to the House of Representatives for Parliamentary treaty examination, in accordance with Standing Order 405;

7 **invited** the Minister of Revenue to issue drafting instructions to the Parliamentary Counsel Office for the Order in Council to give effect to the Croatian DTA;

8 **noted** that, following signature and the satisfactory completion of Parliamentary treaty examination, the Order in Council will be presented to the Cabinet Legislation Committee for submission to the Executive Council for approval.

Janine Harvey
Committee Secretary

Present: (see over)

Present:
Hon David Seymour
Rt Hon Winston Peters (Chair)
Hon Nicola Willis
Hon Mark Mitchell
Hon Simon Watts
Hon Nicola Grigg

Officials present from:
Office of the Prime Minister
Office of the Chair
Officials Committee for FPS

Cabinet

Minute of Decision

Report of the Cabinet Foreign Policy and National Security Committee: Period Ended 7 November 2025

On 10 November 2025, Cabinet made the following decisions on the work of the Cabinet Foreign Policy and National Security Committee for the period ended 7 November 2025:

FPS-25-MIN-0031	**Approval to Sign Double Tax Agreement with Croatia** Portfolios: Foreign Affairs / Revenue	CONFIRMED

Not in scope

Rachel Hayward
Secretary of the Cabinet

Office of the Minister of Revenue

Chair, Cabinet Legislation Committee

ORDERS IN COUNCIL FOR DOUBLE TAX AGREEMENTS WITH THE REPUBLIC OF CROATIA AND THE REPUBLIC OF SLOVENIA

Proposal

1 This paper seeks the Cabinet Legislation Committee's agreement to submit the attached Orders in Council (the *Double Tax Agreements (Republic of Slovenia) Order 2026* and the *Double Tax Agreements (Republic of Croatia) Order 2026*) ("the Orders") to the Executive Council.

2 The Orders will incorporate into New Zealand law the following international agreements ("the Agreements"):

2.1 *Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Slovenian DTA"); and

2.2 *Agreement between New Zealand and the Republic of Croatia for the Elimination of Double taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (collectively, "the Croatian DTA").

3 The Orders give effect to policy decisions by:

3.1 the Cabinet Foreign Policy and National Security Committee ("FPS") on 20 August 2024 (FPS-24-MIN-0021), confirmed by Cabinet on 26 August 2024 (CAB-24-MIN-0312), where the signing of the Slovenian DTA and subsequent steps to bring it into force was approved;

3.2 the FPS on 5 November 2025 (FPS-25-MIN-0031), confirmed by Cabinet on 10 November 2025 (CAB-25-MIN-0394), where the signing of the Croatian DTA and subsequent steps to bring it into force was approved.

4 The Orders giving effect to the Agreements will be made under section BH 1 of the Income Tax Act 2007.

Background

5 Generally, the purpose of a DTA is to reduce tax impediments to cross-border services, trade and investment without creating opportunities for tax avoidance or evasion. DTAs also enable tax administrations to assist each other in detecting and preventing tax avoidance and evasion, and in enforcing their tax laws.

6 New Zealand does not have existing DTAs with Slovenia or Croatia. New Zealand entered negotiations because of an express recommendation issued by the OECD Council for member countries to pursue efforts to conclude DTAs with other OECD member countries (which includes Slovenia, with Croatia being an accession candidate to the OECD). In addition, there were longstanding requests from Slovenia and Croatia for a DTA which have been raised in various diplomatic settings over the years.

7 The Agreements also complement the 2023 free trade agreement New Zealand signed with the European Union, of which Slovenia and Croatia are members.

8 New Zealand was able to secure its key negotiating positions in the Agreements. The Agreements also include all of the OECD Model's key anti-base erosion and profit shifting (BEPS) provisions.

Slovenia

9 Negotiations for the Slovenian DTA began in 2020 and concluded in September 2023.

10 The Slovenian DTA was signed on 3 December 2024, and has since undergone Parliamentary treaty examination, with the Finance and Expenditure Committee reporting back to the House on 5 March 2025.

11 During the process of legal verification, minor and technical changes that should be made to the text of the Slovenian DTA were identified ("rectification"). Cabinet had previously approved the rectification process [*FPS-24-MIN-0021 refers*] and this took place via the exchange of diplomatic notes, completed on 24 April 2026.

Croatia

12 Negotiations for the Croatian DTA began in March 2025 and concluded in August 2025.

13 The Croatian DTA was signed on 20 November 2025, and has since undergone Parliamentary treaty examination, with the Finance and Expenditure Committee reporting back to the House on 13 May 2026.

Entry into force

14 The remaining steps required to bring the Agreements into force are to:

14.1 Make the Orders incorporating the Agreements into New Zealand law; then

14.2 Exchange diplomatic notes with Slovenia and Croatia confirming the completion of all domestic procedures for entry into force.

15 The respective DTAs will enter into force on the date of receipt of the later note, noting that we have already received diplomatic notes from Slovenia and Croatia.

Timing and 28-day rule

16 No waiver of the 28-day rule is sought. The Orders will come into effect 28 days after they have been gazetted.

Compliance

17 The attached Orders comply with:

17.1 the principles of the Treaty of Waitangi;

17.2 advice from the Treaty Provisions Officials Group on any Treaty of Waitangi provisions (include a summary of any concerns raised);

17.3 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;

17.4 relevant international standards and obligations;

17.5 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

18 The Orders generally comply with principles and guidelines set out in the Privacy Act 2020. However, as is the case for all DTAs, the information-exchange provisions require an override of the Privacy Act 2020 to ensure that they are not constrained by certain privacy principles set out in that Act (such as the limitation imposed, at section 6 of the Act, on the disclosure of personal information). This is expressly provided for under section BH 1 of the Income Tax Act 2007.

Regulations Review Committee

19 I am not aware of any grounds on which the Regulations Review Committee might draw the Orders to the attention of the House of Representatives under Standing Order 327.

Certification by Parliamentary Counsel

20 The Parliamentary Counsel Office (PCO) has certified that the Orders are in order for submission to Cabinet.

Impact Analysis

Regulatory Impact Assessment

21 The Ministry for Regulation has determined that the proposals for the Agreements are exempt from the requirement to provide Regulatory Analysis Summaries (RASs) on the grounds that they would substantively duplicate the extended National Interest Analyses (NIAs). This exemption is granted on the condition that the NIAs contain all the requirements that would otherwise be included in the RASs. The internal panel at Inland Revenue has reviewed the documents and confirmed that they contain these requirements.

22 The Quality Assurance reviewer at Inland Revenue reviewed the extended NIAs:

22.1 *National Interest Analysis: Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance*; and

22.2 *National Interest Analysis: Agreement between the Republic of Croatia and New Zealand for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance*.

prepared by Inland Revenue and considers that the information and analysis summarised in the NIAs meet the quality assurance criteria.

23 The NIAs were submitted at the time that Cabinet approval was sought for the signing of the DTAs [*CAB-24-MIN-0312 for the Slovenian DTA and CAB-25-MIN-0031 for the Croatian DTA refers*].

Climate Implications of Policy Assessment

24 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to the proposals as the threshold for significance is not met.

Consultation

25 The Parliamentary Counsel Office was consulted to prepare the Orders. The Treasury and the MFAT were consulted in preparation of the texts and signing of the Agreements, which this Cabinet paper gives effect to.

Communications

26 The Orders will be notified in the *New Zealand Gazette*.

27 Once the Agreements have entered into force, Inland Revenue will update its public materials, including publishing the Agreements and related material on its tax policy website.

Proactive Release

28 I propose to proactively release this Cabinet paper, associated minutes, and key advice papers, subject to Slovenia and Croatia agreeing to the release. The release will be subject to redaction as appropriate under the Official Information Act 1982.

Recommendations

The Minister of Revenue recommends that the Cabinet Legislation Committee:

1 **Note** that on 20 August 2024, the Cabinet Foreign Policy and National Security Committee agreed to the signing of the *Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (FPS-24-MIN-0021) and to the subsequent steps required to bring it into force, which was confirmed by Cabinet on 26 August 2024 (CAB-24-MIN-0312).

2 **Note** that on 5 November 2025, the Cabinet Foreign Policy and National Security Committee agreed to the signing of the *Agreement between New Zealand and the Republic of Croatia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance* and its accompanying Protocol (FPS-25-MIN-0031) and to the subsequent steps required to bring it into force, which was confirmed by Cabinet on 10 November 2025 (CAB-25-MIN-0394).

3 **Note** the *Double Tax Agreements (Republic of Slovenia) Order 2026* and the *Double Tax Agreements (Republic of Croatia) Order 2026* will incorporate the Agreements into New Zealand law, pursuant to section BH 1 of the Income Tax Act 2007.

4 **Note** that, subject to successful promulgation of the Orders, the respective Agreements will be brought into force through an exchange of diplomatic notes with Slovenia and Croatia.

5 **Authorise** the submission to the Executive Council of the attached Orders.

Authorised for lodgement

Hon Simon Watts

Minister of Revenue

Cabinet Legislation Committee

Minute of Decision

Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia

Portfolio **Revenue**

On 20 August 2026, the Cabinet Legislation Committee:

1 **noted** that in August 2024, the Cabinet Foreign Policy and National Security Committee (FPS) agreed to the signing of the Agreement between New Zealand and the Republic of Slovenia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance and its accompanying Protocol, and to the subsequent steps required to bring it into force [FPS-24-MIN-0021];

2 **noted** that in November 2025, FPS agreed to the signing of the Agreement between New Zealand and the Republic of Croatia for the Elimination of Double Taxation with Respect to Taxes on Income and the Prevention of Tax Evasion and Avoidance and its accompanying Protocol, and to the subsequent steps required to bring it into force [FPS-25-MIN-0031];

3 **noted** that the Double Tax Agreements (Republic of Slovenia) Order 2026 and the Double Tax Agreements (Republic of Croatia) Order 2026 will incorporate the Agreements into New Zealand law, pursuant to section BH 1 of the Income Tax Act 2007;

4 **noted** that, subject to successful promulgation of the Orders, the respective Agreements will be brought into force through an exchange of diplomatic notes with Slovenia and Croatia;

5 **authorised** the submission to the Executive Council of the:

5.1 Double Tax Agreements (Republic of Slovenia) Order 2026 [PCO 28110/5.0];

5.2 Double Tax Agreements (Republic of Croatia) Order 2026 [PCO 29137/3.0].

Vivien Meek
Committee Secretary

Attendance (see over)

Present:
Rt Hon Winston Peters
Hon Scott Simpson (Chair)
Hon Simeon Brown
Hon Paul Goldsmith
Hon Mark Mitchell
Hon Simon Watts
Hon Brooke van Velden
Hon Nicole McKee
Hon Casey Costello
Hon Cameron Brewer

Officials present from:
Officials Committee for LEG

CAB-26-MIN-0278

Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Report of the Cabinet Legislation Committee: Period Ended 21 August 2026

On 24 August 2026, Cabinet made the following decisions on the work of the Cabinet Legislation Committee for the period ended 21 August 2026:

Not in scope

LEG-26-MIN-0172	**Orders in Council for Double Tax Agreements with the Republic of Croatia and the Republic of Slovenia** Portfolio: Revenue	CONFIRMED

Not in scope

Not in scope

Rachel Hayward
Secretary of the Cabinet