



India and New Zealand conclude Free Trade Agreement Negotiations on Financial Services, a part of Annex to the Trade in Services Chapter

Negotiations on financial services annex commenced in May 2025; Comprehensive financial services annex text evolved into 18 articles through India's constructive engagement, drawing from previous FTA experiences

A forward-looking, balanced agreement to strengthen bilateral cooperation in financial services with innovative provisions on digital payments, fintech, data transfer and back-office services; potential to establish India as a fintech hub

Market opportunities for Indian payment service providers to leverage India's technological expertise in digital payment systems such as UPI and NPCI

Parity of treatment with New Zealand domestic institutions; facilitating market access for Indian banks, insurance companies and other financial service suppliers

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India and New Zealand have concluded negotiations on the Financial Services Annex of the India-New Zealand Free Trade Agreement (FTA) on 22nd December, 2025. This marks a significant milestone in strengthening bilateral economic and strategic cooperation. This landmark achievement was finalized during the last round of negotiations held on December 10, 2025.

India and New Zealand share a robust commitment to strengthen bilateral cooperation in the financial services sector. Recognizing the significance of this relationship, both nations have worked collaboratively to develop a forward-looking, balanced and mutually beneficial agreement that will unlock enhanced opportunities for their respective financial services sectors. This FTA will provide the necessary institutional and regulatory framework to accelerate bilateral collaboration, facilitate market access and catalyze deeper integration of the two economies' financial systems.

The India-New Zealand Financial Services Annex marks a notable advancement over standard GATS commitments, evolving to a total of 18 articles. The key achievements of Financial Services Annex include the following:

- **Electronic Payments and Real-Time Transaction Infrastructure:** India and NZ have committed to collaborate on developing domestic payments interoperability and supporting real-time cross-border remittances and merchant payments through integrated Fast Payment Systems (FPS). This provision directly strengthens India's digital payments ecosystem and fintech sector, enhances remittance flows from the Indian diaspora, creates market opportunities for Indian payment service providers and leverages India's technological expertise in digital payment systems such as UPI and NPCI.
- **Financial Technology and Regulatory Innovation:** India and NZ have committed to strengthen collaborative efforts in financial services innovation. The agreement includes specific provisions for learning from each other's Regulatory Sandbox and Digital Sandbox frameworks for cross-border applications. These provisions position India as a fintech hub within the bilateral partnership. Further it facilitates knowledge exchange and regulatory learning with a developed economy and create collaboration opportunities for Indian fintech companies while supporting India's regulatory sandbox initiatives.
- **Transfer and Protection of Financial Information:** India and NZ recognize each party's right to maintain legislative and regulatory requirements concerning the transfer, processing and storage of financial information, and aims to facilitate financial service suppliers to establish cross-border digital operations while ensuring complete regulatory control over data sovereignty and consumer privacy protections.
- **Credit Rating and Non-Discrimination:** Indian financial institutions are cushioned from arbitrary or discriminatory credit assessment practices in the New Zealand market. This provision ensures parity of treatment with New Zealand domestic institutions, facilitates market access for Indian banks, insurance companies, and other financial service suppliers, and prevents discriminatory regulatory treatment that could restrict Indian financial institutions' operational capabilities.
- **Back-Office and Support Functions:** In the financial services annex, India and NZ have committed to support the provision of back-office and financial services support functions. This will leverage India's world-leading information technology and business process services capabilities. This will enable cost-efficient delivery of financial services through centralized back-office operations in India, will also support growth in India's financial services, IT and business process outsourcing sectors. This demonstrates mutual recognition of India's critical infrastructure capacity for the bilateral financial services partnership.
- **Increased FDI Investment limits and Bank Branches:** The schedules of specific commitments reflect progressive collaboration among both sides, with comprehensive commitments on Market Access and National Treatment in key Banking and Insurance Sectors and Subsectors. India's sectoral offers represent a forward-looking liberalization approach, featuring enhanced Foreign Direct Investment (FDI) limits in banking and insurance, alongside a liberalized bank branch licensing framework allowing up to 15 bank branches to be established over a four-year period. This is a significant expansion from the previously offered GATS limits of 12 branches. These offers will enable Indian financial service suppliers to expand

operations into New Zealand, strengthening India's position in financial services exports and cultivating progressive sectoral growth. They also position New Zealand's financial institutions competitively in India's dynamic and rapidly expanding financial services market, while simultaneously reflecting India's commitment to progressive market liberalization in consonance with its broader strategic objectives.

Overall, the conclusion of negotiations on the India-New Zealand Financial Services Annex underscores both governments' commitment to deepening the economic ties and harnessing mutual opportunities in the rapidly evolving financial services landscape. The agreement is forward-looking, balanced and designed to provide enhanced market access, regulatory clarity and cooperative frameworks that will benefit financial institutions and service providers from both countries.

Currently, two Indian banks—Bank of Baroda and Bank of India—maintain subsidiary operations in New Zealand with a combined total of four branches while New Zealand currently has no banking or insurance presence in India, and no Indian insurance companies have established operations in New Zealand. This FTA, by establishing clear market access commitments, regulatory transparency and bilateral cooperation frameworks, will facilitate increased bilateral investment, institutional presence and services delivery. The agreement will serve as an important catalyst for broadening India's financial services presence in New Zealand and welcoming New Zealand financial institutions to India's growing and dynamic financial services markets.

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