

The Fair Trading Act

Country of origin labelling



This fact sheet gives guidance for complying with the Consumer Information Standard for clothing and footwear as set out in the Fair Trading Act.

Consumer Information Standard

The Consumer Information Standard (Country of Origin (Clothing and Footwear) Labelling) Regulations 1992 created a consumer information standard which makes it mandatory for all new clothing or footwear supplied in New Zealand to be labelled with information that clearly states the country where the items were made or produced.

The regulations are issued under section 27 of the Fair Trading Act 1986.

Who do these Regulations apply to?

The Regulations apply to any person who supplies, offers to supply or advertises the supply of new clothing or footwear. The phrase any person includes retailers, importers, distributors and manufacturers.

Methods of supply include displaying shoes or clothes for sale in a shop, at a market or on an internet auction site.

Offering clothing or shoes as give-aways is also a method of supply and so goods offered in this way must also comply with the regulations.

What types of clothing and footwear have to be labelled?

Most new clothing and footwear must carry country of origin labelling.

Footwear includes goods such as shoes, athletic shoes and boots, sandals, jandals or thongs, boots, slippers, work boots, gumboots and children's shoes.

What types of clothing or footwear do not have to be labelled?

These types of clothing and footwear accessories do not have to be labelled with country of origin information:

- second-hand clothing and footwear
- jewellery;
- handkerchiefs;
- handbags;
- wigs and hairpieces;
- component parts of footwear or clothing, eg, fabric and insoles;
- kneecap and ankle supports; and
- parts of bras, corselets, corsets, braces, suspenders, garters and similar articles.

What do the labels have to look like?

The label or marking must be in English. The letters must be clearly readable and not less than 1.5 mm high.

Labels for clothing

The label must be a permanent label which the buyer can see when examining the clothing. In the Commission's view origin labels in side seams of garments are unlikely to meet this legal requirement. Origin labels should be clearly positioned in the neck area of the garments.



Where it is not possible for the buyer to see the country of origin label because of the way the item is packaged, displayed or folded, you must also provide this information on:

- a removable ticket, label or pamphlet attached to the goods; or
- the item's packaging or wrapping.

Where it is not practical to place a country of origin label on clothing or footwear (for example, on a reversible jacket), you must provide country of origin information on a removable ticket, label or pamphlet attached to the goods or on the item's wrapping or packaging.

Labels for footwear

Every individual item of footwear must have its country of origin printed, stencilled, branded or marked so that it can be seen by buyers. If this is not practical because of the footwear's design, composition or construction, you must provide country of origin information on a removable ticket, label or pamphlet attached to the goods, or on the item's wrapping or packaging.

Who is responsible for making sure goods have a country of origin label?

Although the manufacturer is likely to supply goods with a country of origin label, you are responsible for making sure that the clothing and footwear you supply has accurate country of origin labelling.

If you are concerned that goods are not labelled with the correct country of origin, ask your supplier for more information.

What happens if I supply clothing or footwear with no country of origin labels?

You will have breached the regulations. If you are selling footwear or clothing you must make sure that the goods are labelled according to the regulations.

It is an offence under section 28 of the Fair Trading Act to supply, offer to supply or advertise for supply footwear and clothing that does not carry country of origin labelling.

The Commerce Commission, which enforces the Fair Trading Act, may take a prosecution against you in court. If convicted, companies are liable to a fine of up to \$30,000 for each breach of the Act. Individuals can be fined up to \$10,000. For more information on the range of enforcement actions, from warnings through to prosecutions, see the Commission's website at www.comcom.govt.nz/enforcement-of-the-fair-trading-act

In addition to any action taken by the Commerce Commission, you may have to conduct a recall of any clothing or footwear that you have supplied which does not comply with the Regulations. Information on carrying out a product recall is available from www.consumeraffairs.govt.nz/for-business/compliance/product-safety

EXAMPLES

Souvenir clothing made in New Zealand or Pakistan?

A souvenir and tourist retailer sold T-shirts on which the logos, neck and swing tag labelling implied the garments were made in New Zealand but Made in Pakistan labels were sewn into the inside seam of the shirts.

The company selling the goods was fined for making misleading representations about the country of origin and because the true country of origin labels, which were sewn into side seams, could not be easily accessed by prospective buyers.

False labels on sportswear for Commonwealth Games team

A New Zealand sportswear manufacturer entered into a contract to supply New Zealand-made clothing for the 2006 Commonwealth Games team.

The director of the company instructed staff to remove Made in China labels and sew in new Made in New Zealand labels into the uniforms. The clothing was actually made in China.

Over 1,800 falsely labelled garments had been supplied before the Commerce Commission intervention. The Commission ensured all the items were re-labelled correctly before clothing was distributed to the Commonwealth Games team.

The company was prosecuted and fined for making misleading representations about the country of origin of the clothing.

Do clothing and footwear require any other types of labels?

Clothing must also comply with these consumer information or product safety standards:

- Most clothing requires care and fibre-content labelling. For more information see our factsheets [Care labelling: a guide to complying with the consumer information standard](#) and [Fibre content labelling: a guide to complying with the consumer information standard](#) at www.comcom.govt.nz/consumer-information-standards
- Children's nightwear must comply with the product safety standard for children's nightwear. For more information see our factsheet [Children's nightwear and limited daywear: a guide to complying with the product safety standard](#) at www.comcom.govt.nz/children-s-nightwear

Where can I get more information on the Regulations and the Fair Trading Act?

You can access the Consumer Information Standard (Country of Origin (Clothing and Footwear) Labelling) Regulations 1992 and the Fair Trading Act online at the government's legislation website www.legislation.govt.nz. The information on this website is free.

You can buy a copy of the regulations and the Fair Trading Act from selected bookshops. For further information on the Fair Trading Act, you can visit the Commission's website at www.comcom.govt.nz/fair-trading

Useful terms

- **Breach** – to break the law or not comply with an Act or Regulations
- **Comply** – to meet obligations and rules, eg, as set out in an Act or Regulations
- **Consumer** – a person who buys from a retailer, an end-user
- **In trade** – a person who runs a business selling goods or services such as a retailer, manufacturer or importer
- **Mandatory** – making a set of rules or guidelines compulsory, that *must* be followed
- **Piece goods** – textiles, such as fabrics, supplied in standard widths and lengths
- **Regulations** – legislation made under an Act, in this case the Fair Trading Act Retailer – the seller who sells to end-consumers
- **Supply** – supply by sale, gifting, exchange, lease, hire, or hire purchase
- **Textiles** – items made from natural or synthetic materials (eg, cotton, nylon, wool) by spinning, weaving, knitting, felting, bonding, tufting or any similar process.

This fact sheet provides guidance only. It is not intended to be definitive and should not be used in place of legal advice. You are responsible for staying up to date with legislative changes.

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Phone: 0800 943 600 **Write:** Contact Centre, PO Box 2351, Wellington 6140 **Email:** contact@comcom.govt.nz

