



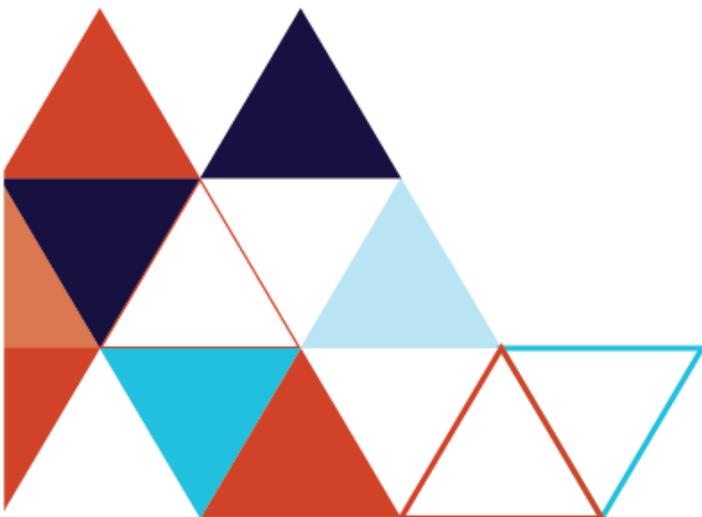
## **GUIDANCE NOTE**

# **Wine Sector**

This note provides guidance to New Zealand businesses in relation to the export of wine. This guidance relates to the Russia Sanctions Act 2022 (the Act) and Russia Sanctions Regulations 2022 (the Regulations) and should be read in conjunction with them.

This note does not constitute legal advice. It is also not intended to provide guidance in relation to compliance with other international sanctions regimes relating to Russia. This guidance has been prepared in collaboration with New Zealand Winegrowers.

**FEBRUARY 2026**



# Russia Sanctions Act

The [Russia Sanctions Act 2022](#) (the Act), passed unanimously following Russia’s 2022 invasion of Ukraine, gives the Minister of Foreign Affairs the ability to impose sanctions in response to threats to the sovereignty or territorial integrity of Ukraine or another country. The sanctions are designed to exert pressure on Russia to change its course of behaviour. Our sanctions complement and reinforce sanctions by other countries and prevent New Zealand from becoming a soft route for sanctions evasion. The sanctions are set to remain in place until March 2028, at which point they could be extended.

The Act and its [Regulations](#) place a range of obligations on New Zealand persons (including New Zealand-based businesses, individuals and entities) by prohibiting or restricting specific activities.

## Prohibition on wine exports to Russia

Pursuant to Regulation 13, “a New Zealand person must not export, directly or indirectly, a luxury good to, or for use in, or for the benefit of Russia.”<sup>1</sup> Wine (HS Code 2204) is a luxury good listed in the Regulations (schedule 1A).

**Key definitions**

**“New Zealand person”** means:

- An individual who is in New Zealand, a New Zealand citizen or is ordinarily resident in New Zealand
- An entity carrying on business in New Zealand or incorporated or registered under New Zealand law.

**“Indirect export”** includes the export of goods to a country via a third country or countries (e.g. a wine that is exported from New Zealand to France and is subsequently exported from France to Russia).

**“for the benefit of Russia”** is a broad term that encompasses situations in which an export does not enter Russia but nonetheless benefits the Russian Government (e.g. this might include the sale of wine to a distributor outside Russia that is owned by Russian interests).

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<sup>1</sup> Regulation 13 was amended in February 2024 to clarify that the export prohibitions include indirect export (via third countries). We acknowledge the possibility that 2022 and 2023 vintages found for sale in Russia may have been indirectly exported at a time when the scope of the prohibition was not as clearly defined. Accordingly, authorities will take a firmer compliance approach to product (including older vintages) that entered the Russian market from February 2024 onwards.

## Prohibition on exporting for the benefit of sanctioned persons

New Zealand wine exporters must also comply with Regulation 10 which prohibits ‘dealing with assets’<sup>2</sup> for the benefit of sanctioned persons.<sup>3</sup> Prohibited activities under this Regulation include exporting wine to a sanctioned individual or to an entity owned or controlled by a sanctioned person.

The [Russia Sanctions Register](#) is a searchable spreadsheet containing the full list of persons sanctioned under the Act. Note that New Zealand has sanctioned individuals and entities from North Korea, Iran and Belarus, in addition to Russia.

## Due diligence

Due diligence is the process that you should undertake, to support your compliance with the Regulations and to minimise the risk that your wine inadvertently enters Russia. This will include actions like carrying out internet searches on potential business partners to identify any red flags, ascertaining ownership structures, and putting questions to distributors.

Due diligence is an ongoing obligation. In addition to undertaking due diligence *before* entering into a business relationship or transaction, exporters should continue to monitor for red flags and indications that product is at risk of entering Russia indirectly. Given that wine is a long shelf life product, there is a risk that it is re-exported to Russia years after initial export from New Zealand. The expectation is that New Zealand exporters would understand and have certainty over who their end consumer is. However, we acknowledge that international wine industry practices mean this will not always be straight-forward.

The reasonable due diligence effort undertaken by your business should be appropriate to the level of sanctions risk you face in the circumstances. There is no one-size-fits-all model. As such, the suggestions below are not intended to be conclusive or exhaustive, but to provide general guidance about actions you could consider taking to support compliance. If you have doubts as to what would be reasonable in your circumstances, we recommend seeking independent legal advice.

## Due diligence Research

As a starting point you should carry out a basic internet search on business partners and, in the case of intermediaries or distributors, their customers. The focus should be on **building a picture of end users, red flags (see below), and ownership and control structures**.

Your search should include business partners’ websites, company reports and any media articles mentioning them. Accountability reports, like annual reports and prospectuses, are a good place to find information on owners, directors and senior management.

If you identify possible links to Russia, Belarus, Iran or North Korea,<sup>4</sup> at a minimum you should:

- Undertake further research to identify their business partners, map out relationships, and look for indirect connections to the Russian government, military, and strategic industries;<sup>5</sup>

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<sup>2</sup> Defined in section 5 of the Act.

<sup>3</sup> “A New Zealand person must not deal with any asset, if dealing with the asset would result in a sanctioned person owning or controlling the asset, or would otherwise be for the benefit of a sanctioned person.”

<sup>4</sup> These are the countries that have individuals and/or entities subject to sanctions under the Act.

<sup>5</sup> These include: the defence and military industrial complex, natural resources and energy, nuclear, strategic infrastructure, aerospace and space sectors.

- Search the names of individuals and entities in the New Zealand [Russia Sanctions Register](#) and foreign sanctions registers<sup>6</sup>;
- Keep a record of your searches and due diligence actions for compliance purposes.

**If you are working with an overseas distributor, you should seek information from them about their customers and business practices.**

While commercial sensitivities may mean that distributors are unwilling to provide specific information (e.g. names of customers), you should obtain sufficient information to build a general picture of their operations, enabling you to assess the risk of indirect exports to Russia.

Questions to consider:

- Do they distribute any products to Russia, Belarus or Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan)?<sup>7</sup>
- What re-export controls do they have in place?
- Do they distribute to end retailers or to other intermediaries (e.g. wholesalers, agents, distributors)? Where are those intermediaries located, and do they export to Russia, Belarus or Central Asia?
- Which countries are involved in the supply chain? Will your wine be distributed directly from the distributor's country, or are third countries part of the route?

## Red Flags

The presence of red flags relating to a potential customer or transaction increases the risks of a sanctions breach and indicates a need for heightened due diligence measures. While it does not automatically mean that you cannot proceed, a high degree of caution and further investigation is required.

When assessing a potential customer, red flags to consider include:

- Any direct or indirect associations or connections to Russia, Belarus, Iran or North Korea in ownership and control structures;
- Supply chains that include Russia, Belarus or Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan);
- Supplying to an intermediary known to sell to those markets;
- A record of sanctions-related issues or other compliance breaches;
- Obfuscation or defensiveness beyond what is reasonable for commercial sensitivity;
- Reluctance or unwillingness to provide formal assurances on re-exports.

## Seeking Written Assurances

If you are sending products to markets maintaining supply relationships with Russia, or where the prospective distributor supplies intermediaries serving the Russian market, we strongly encourage exporters

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<sup>6</sup> To check foreign sanctions registers you may wish to visit websites such as [www.opensanctions.org](http://www.opensanctions.org) which compile international sanctions lists into a single database.

<sup>7</sup> Belarus and Central Asian countries are amongst those countries which may be used as intermediaries facilitating indirect exports to Russia.

to seek written or contractual assurances (e.g. a warranty or guarantee that the goods will not be subsequently exported to Russia).

Distributors may not be familiar with New Zealand's Russia sanctions regime; each country's sanctions regime is distinct. In your communications you may choose to highlight New Zealand's unique compliance obligations and/or share this guidance note with them.

## Due Diligence Examples

The following scenarios are high-level and for illustrative purposes only. Appropriate due diligence steps are expected to be tailored to the particular risk and circumstance and will depend on a wide variety of factors and an individualised risk assessment.

1. Exporter A's prospective customer is a large French company that distributes across Western Europe. Open-source internet searches do not reveal any kind of association with Russia, Belarus, Iran or North Korea. The company has provided the exporter with a written assurance that it complies with its domestic regulatory obligations and does not supply to Russia, Belarus or Central Asia, nor to any distributors that supply them. The French company has been engaged and demonstrated careful consideration of the exporter's concerns. No red flags are present, and the company has processes in place to protect against re-export. Exporter A proceeds with the business relationship.
2. Exporter B's prospective customer is a small German distributor that exports to Poland only. One of its Directors is of Russian origin but has lived in Germany for decades. The exporter undertakes thorough research which does not uncover any links with the Russian government, military or strategic sectors. The names of the Director and associated individuals and entities do not appear in New Zealand's Russia Sanctions Register, nor any foreign sanctions register, nor in any adverse online content. However, one of the Distributor's customers is a Polish export broker that does serve the Russian market. The Distributor says it will not supply to intermediaries exporting to Russia and that it has processes in place to prevent this. Not being satisfied with the verbal assurance alone, the Exporter requests a written confirmation and seeks contractual assurances to this effect.
3. Exporter C's prospective customer is a Latvian importer that claims to distribute wines in Western Europe. The Exporter researches the company and uncovers that the Director is closely connected to a prominent figure in a Russian grocery chain. Further open-source research raises questions about whether that customer is actively supplying the Russian market. Subsequent requests for information to the customer about their distribution network are met with some resistance. Despite explaining the need to comply with New Zealand legislation, the customer deflects the exporter's enquiries, won't provide any written assurance, and just wants to move ahead with the relationship. The exporter chooses not to pursue this commercial relationship due to risk of re-export to Russia.

Please see appendix 1 for further due diligence considerations and a draft written assurance template that wine businesses can incorporate into any supply chain arrangements.

## Consequence of non-compliance

There are potential legal and reputational consequences if a New Zealander does something which is prohibited by the Russia Sanctions Act. The New Zealand Sanctions Unit in MFAT, alongside New Zealand's relevant law enforcement agencies, such as NZ Customs, Immigration NZ or NZ Police, take a risk-based approach when considering the circumstances of any potential breach. Potential responses could include targeted education or formal warnings, through to civil and criminal prosecution.

In all cases, the extent and depth of due diligence actions undertaken will be a consideration in determining the most proportionate regulatory response.

## Need help?

For all sanctions enquiries, please contact [Sanctions@mfat.govt.nz](mailto:Sanctions@mfat.govt.nz). To receive email alerts about sanctions including when the Russia sanctions register is updated, go to our [subscription page](#).

For other wine export-related queries you can contact New Zealand Winegrowers at [advocacy@nzwine.com](mailto:advocacy@nzwine.com).

## If you identify a potential breach

If you become aware that any of your products have entered the Russian market from February 2024 onwards,<sup>8</sup> please inform the sanctions team at [sanctions@mfat.govt.nz](mailto:sanctions@mfat.govt.nz). We recognise that, despite best efforts, goods can occasionally be diverted without a producer's knowledge. Early, proactive reporting will not result in automatic enforcement action and will be viewed positively when assessing compliance.

If you become aware of any other New Zealand wine products available for sale in Russia, you are welcome to notify MFAT. We will follow up discreetly with the company involved to ensure they are aware and can take appropriate steps.

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<sup>8</sup> This includes pre-2024 vintages that you suspect entered Russia from February 2024 onwards.

## Appendix 1: Due Diligence Key Considerations for Wine Businesses

*Due diligence is an ongoing obligation and one which is not about 'ticking boxes'. The list below may be a useful starting point to consider what due diligence may look like for your business. You should keep a record of your searches and due diligence actions, in case it is required later for compliance purposes.*

### Key Due Diligence Considerations

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#### Ownership/control

Check the full legal name, registration number, and registered address of the distributor and/or importer  
Screen owners, directors, and key managers/controllers against the [Russia Sanctions Register](#)  
Confirm no Russian persons/entities (or other sanctioned persons) hold ownership, control, or influence

#### Distribution

Obtain written confirmation of end markets and customers.  
Confirm distributor does not operate in or ship to Russia.  
Check whether distributor has historical or current Russian business.  
Confirm there are no distribution connections to online retail websites with Russian origins.

#### Logistics & Trade Routes

Confirm ports of discharge and transit countries.  
Confirm no trans-shipment through high-risk diversion hubs e.g. Latvia.

#### Contractual Tools

Include contractual prohibition on resale to Russia or list authorised sales territories.  
Include termination rights for sanctions breaches.  
Include obligation to notify of ownership or market changes.

### Spotting Red Flags

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*Have any of the following red flags emerged during your commercial interactions? These require further examination.*

#### Ownership red flags

- Unclear ownership structures.
- Recent significant ownership changes with limited explanation.
- Links to Russian nationals, entities, or intermediaries.
- Links to Belarus, Iran or North Korea, all of which are subject to sanctions under the Act.

#### Commercial and logistical red flags

- Requests for unusual payment routes or currencies.
- Payment from third parties not named in the contract.
- Requests to remove or obscure country of origin or consignee details.

#### Behavioural Red Flags

- Refusal to provide written assurances.

## Draft Written Assurance Template

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*As part of your due diligence, you could use/adapt this template in commercial arrangements, to seek written assurances. You should make sure to use the correct legal names of the parties in any documents.*

[Importer/Distributor] confirms to [Winery] that they:

1. Understand that the New Zealand Government has sanctions in place preventing the export of New Zealand wine to Russia, both directly and indirectly.
2. Do not and will not sell, export, re-export, transfer, or otherwise supply any products purchased from [Winery] directly or indirectly to any person or entity located in Russia.
3. Do not and will not knowingly sell or supply products purchased from [Winery] to any third party where there is reason to believe the products may be resold, transferred, or diverted to Russia.
4. Are not owned or controlled, directly or indirectly, by any person or entity that is subject to New Zealand's Russia sanctions regime.
5. Implement appropriate internal controls and procedures to prevent diversion of [Winery's] products to Russia.
6. Will promptly notify [Winery] if it becomes aware of any risk of diversion or actual diversion of their products to Russia.

Signed for and on behalf of [Importer/Distributor]: