



GUIDANCE NOTE

Iran sanctions

This note is intended to provide guidance in relation to the reintroduction of sanctions under the United Nations Act 1946 and the United Nations Sanctions (Iran) Regulations 2025.

This note does not constitute legal advice. It is not intended to provide guidance in relation to compliance with: other countries' sanctions regimes relating to Iran, including autonomous sanctions outside the UN framework; or sanctions imposed by New Zealand on Iranian actors under the Russia Sanctions Act. The Ministry of Foreign Affairs and Trade does not accept liability for any loss or damage caused to any person relying on this material.

OCTOBER 2025



Reintroduction of Iran Sanctions

On 28 August 2025, France, Germany and the UK jointly triggered the “snapback” process under the Joint Comprehensive Plan of Action (the JCPOA or Iran Nuclear Deal), citing Iran’s non-compliance. Accordingly the UN sanctions on Iran that had been in place prior to the JCPOA¹ were automatically reinstated on 28 September.

As a UN member, New Zealand is bound to implement UN Security Council (UNSC) sanctions and has implemented the Iran sanctions through the United Nations Sanctions (Iran) Regulations 2025 (the Regulations).

The sanctions include a range of prohibitions related to Iranian nuclear and military activities, and an asset freeze for persons and entities designated by the UN. Resolution 1929 also imposes an obligation on states to require their nationals to “exercise vigilance” when doing business with Iran if such business could contribute to Iran’s proliferation-sensitive activities, the development of nuclear weapon delivery systems, or violations of the UNSC resolutions imposing sanctions on Iran.

New Zealanders are required to comply fully with the Regulations implementing UNSC sanctions. Given the wide scope of the Regulations, and the penalties for non-compliance, **it is recommended that anyone contemplating doing business with Iran obtain independent legal advice** before engaging in business with people in Iran, or with entities that are incorporated in Iran or subject to its jurisdiction.

What is the aim of these sanctions?

The UNSC imposed these sanctions to exert pressure on the Government of Iran to change its course of action and to encourage a return to compliance with its nuclear commitments. New Zealand shares the concerns of the UNSC and holds long-standing concerns with the trajectory of Iran’s nuclear programme. Previous reports by the International Atomic Energy Agency (IAEA) Director-General have presented a deeply troubling picture of Iran’s non-compliance, including unjustifiable levels of enrichment activity.

Ensuring domestic compliance with the UNSC sanctions is essential both: to avoid New Zealand being used as a soft route for sanctions evasion that would undermine international efforts; and to maintain New Zealand’s international reputation.

We expect New Zealanders to maintain vigilant compliance practices, in order: to support New Zealand’s sanctions efforts; and to protect themselves from legal and reputational risks.

Overview of Iran Sanctions Regulations

The New Zealand Regulations introduce a range of restrictions and obligations for New Zealand persons (see definition below) and entities including:

- **Prohibitions on certain dealings** related to designated persons;
- **A duty to exercise vigilance** when doing business with entities incorporated in Iran or subject to its jurisdiction;
- **A compulsory business registration scheme;**

¹ These sanctions are set out in UN Security Council (UNSC) resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010).

- **A requirement to keep business records for at least seven years;**
- **Import, export and procurement bans** relating to nuclear weapon, missile or enrichment-related goods, and to arms;
- A prohibition on providing certain types of **assistance** to Iran, including technical or financial assistance relating to certain military equipment, transfer of ballistic missile-related technology, and providing bunkering services to certain Iranian vessels;

Definitions

“New Zealand person” means a person who is in New Zealand, or a New Zealand citizen (whether or not they’re in New Zealand)

“Restricted Entities” means:

- A person in Iran;
- An Iranian entity; or
- Any person or entity acting on behalf of, or at the direction of, or owned or controlled by, an Iranian entity.

“Doing business” means being in any way involved (even if not for reward) in any provision or receipt of any goods or services.

“Designated person” means individuals or entities designated under the four UNSC resolutions that impose sanctions on Iran. The names and details of sanctioned individuals and entities can be found in the [UN Consolidated List](#).

Duty to exercise vigilance

Regulation 22 requires New Zealand persons and entities to “exercise vigilance” when doing business with Restricted Entities in certain circumstances.

An important component of exercising vigilance is conducting due diligence with regard to your business partners and customers, including identifying ownership and control structures which may not be immediately apparent.

Further information on appropriate due diligence is provided at the bottom of this Guidance Note.

Compulsory Registration and Record-Keeping

New Zealand’s compulsory registration scheme is designed to ensure that legitimate trade with Iran may continue, and that people engaging in such trade exercise the necessary degree of vigilance.

Regulation 23 requires New Zealand persons and entities intending to do business with a Restricted Entity to first register with the Ministry of Foreign Affairs and Trade. As part of this registration, they will be required to confirm, by statutory declaration, that the business will not contribute to violations of the relevant UNSC

resolutions. Registrations may be revoked, including where the registration application was false or misleading.

Provision or receipt of goods that are all or part of a consignment with a total Customs value of \$1,000 or less will not be required to register. However, the obligation to exercise vigilance continues to apply.

Registered persons and entities must create records of each instance of the business being done, and keep these records for at least seven years. They must also report any changes in respect of the business to the Ministry of Foreign Affairs and Trade.

The registration requirement will come into force on 1 February 2026. No fees will apply to registration. More details including the registration form will be circulated in the coming months.

Restrictions on dealings related to designated persons

The restrictions in Regulations 27 and 28 relate to “designated person.” (see definition above).

Pursuant to Regulation 27, a person must not knowingly deal with² any asset, money or security that is owned or controlled (directly or indirectly) by:

- A designated person; or
- Any person or entity acting on behalf of, or at the direction of, or owned or controlled by a designated person.

Regulation 28 prohibits the sending of funds to designated persons. This includes direct or indirect transfers of assets, money or securities, to or for the benefit of designated persons, or to persons associated with them.

There are some limited exceptions to these prohibitions which are listed in Regulation 29. This includes an exception where the prohibited action is necessary to ensure timely delivery of humanitarian assistance, or to support other activities that support basic human needs. It is also possible to apply for a Ministerial consent for a prohibited dealing. For further guidance on applying for a consent, please email the Sanctions Unit at sanctions@mfat.govt.nz.

Due diligence guidance

Due diligence is the process that you should undertake to support your compliance with the Regulations before entering into a business relationship or transaction, and to avoid supporting attempts at sanctions evasion. There is no one-size-fits-all model for due diligence. The reasonable due diligence effort undertaken by your business should be appropriate to the level of sanctions risk you face in the circumstances.

As a starting point, you should obtain and verify the identity of your customer and business partners, and then check whether they are named on the [UN Consolidated List](#). The List contains the details and basic identifying information of all listed sanctioned individuals and entities.

To avoid the risk of false negatives, you should look for an exact or close name match and use other identifying information to support your review, including date of birth or job title. Variations in the spelling of names can arise for many reasons.

² This includes transferring, paying for, selling, assigning and disposing of.

For financial institutions, conducting transaction due diligence is important in order to help you understand your overseas customer, including to identify who is the ultimate end user or provider of the goods or services, and where they are based.

Other steps you could take include:

- Carrying out a basic internet search including media articles.
- Checking company accountability reports, like annual reports and prospectuses, for names of senior managers and board members.
- Considering using a commercial sanctions screening service.
- Asking your customer for self-declarations of ownership details and organisational structures.
- Staying alert for any red flags relating to your usual business that may help you spot attempts at sanctions evasion. These will vary depending on the type of activities your business undertakes, who your customers are, and how much international exposure you have.

Other factors to consider

New Zealand businesses should also ensure that their business does not contravene **foreign ‘autonomous’ sanctions regimes**. Some countries, such as the United States, United Kingdom, Australia and European Union have imposed additional, unilateral sanctions on Iran. New Zealand businesses trading with Iran are advised to seek independent legal advice to ensure that their business does not contravene other sanctions regimes.

A number of Iranian individuals and entities have been sanctioned under the **Russia Sanctions Act** in connection with support for Russia’s war in Ukraine. The Act prohibits New Zealand individuals and entities from having dealings with sanctioned persons, assets, services and securities. More information on the Russia Sanctions Act is available [here](#).

Exporters to Iran must also comply with New Zealand’s **Export Controls** regime, which prohibits the export of military, dual use and catch-all goods which may harm New Zealand’s security or national interests. More information is available [here](#).

The reimposition of UNSC sanctions may add to existing **practical challenges** faced by New Zealanders seeking to do business in Iran, for example in the area of banking. New Zealanders are advised to consult their banks to confirm comfort levels with facilitating Iran-related trade prior to making any commitments.



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