

22 July 2022

**New Zealand Exporters** 



New Zealand Ministry of Foreign Affairs and Trade Manatu Aorere

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Kia ora

We are writing to you as we understand you may have exported goods, or considering exporting goods, to Russia or Belarus.

The <u>Russia Sanctions Act 2022</u>, which entered into force in March 2022, allows Aotearoa New Zealand to impose and enforce sanctions in response to Russia's illegal and unprovoked invasion of Ukraine on 24 February 2022.

The aim of our sanctions is to contribute to international efforts to limit Russia's ability to finance and equip the war in Ukraine, and to influence Russia away from war. Sanctions made under the Act may target individuals, companies and industries, including those economically or strategically important to Russia. Under the Russia Sanctions Regulations 2022, it is prohibited to undertake a wide range of engagements with sanctioned individuals and entities, including exporting products to or importing products from these sanctioned individuals and entities.

Trade measures have also been enacted which affect imports and exports. These include:

- a prohibition on exports of certain products to Russia and Belarus (listed in the MFAT Russia Sanctions register);
- a 35% tariff on the import of all goods of Russian origin (with few exceptions); and
- under New Zealand's export control regime, a prohibition on the export of all goods for military use or application to Russian and Belarussian military, paramilitary, militia or police.

Key global businesses have also exited the Russian market and terminated all activities within Russia, including those in the banking or transport sectors. As a consequence, you may find it difficult to export goods to Russia, or to make or receive payments.

In addition, New Zealand, along with other international partners, has imposed sanctions on a number of Russian banks. This may also impact your ability to receive or complete transactions for payments. More information is contained in our Guidance Note on banking transactions, available on the Ministry of Foreign Affairs and Trade's sanctions page. We encourage you to speak to your bank, including to understand whether any sanctioned banks might be involved in a transaction, ahead of entering into any export arrangements to ensure that payment is possible.

We encourage you to regularly check the <u>Ministry of Foreign Affairs and Trade's</u> <u>sanctions page</u>, which provides details on the export prohibitions, answers to some common questions, and the sanctions register.

Businesses are advised to conduct their own due diligence on whether they are dealing with a sanctioned individual or entity. You may also wish to seek independent legal advice on your specific situation.

Other countries have implemented their own sanctions. You may wish to consider the situation in other markets you are operating in or may operate in the future. For example, violating United States sanctions may have consequences for your ability to access the United States market. Many countries publish their sanctions registers online.

We appreciate that the Russian invasion of Ukraine, and the consequent sanctions which have been imposed as a result, may present challenges for New Zealand businesses. If you have any questions, or would like to sign up for new sanctions alerts, please contact: <a href="mailto:RussiaSanctions@mfat.govt.nz">RussiaSanctions@mfat.govt.nz</a>

Ngā mihi nui

Russia Sanctions Taskforce Ministry of Foreign Affairs and Trade