

Summary of Underpinning Analysis: Russia Sanctions Amendment Regulations (No 3) 2026

Agency responsible	Ministry of Foreign Affairs and Trade
Portfolio	Foreign Affairs
Date finalised	06/07/2026
Identification Number	N/A

Good law-making: 9(i)

The importance of consulting, to the extent that is reasonably practicable, the persons or representatives of the persons that the responsible agency considers will be directly and materially affected by the legislation

Inconsistency identified? NO

Summary of agency analysis

By way of background, the Russia Sanctions Amendment Regulations (No 3) 2026 (**Amendment Regulations**):

- a. Impose sanctions on 33 additional targets with links to Russia's illegal invasion of Ukraine (in alignment with partner countries, this tranche focusses on malicious cyber actors and actors involved in the forced relocation, re-education and militarization of Ukrainian children);
- b. Revoke sanctions on one individual following approval of their delisting application; and
- c. Make minor and technical updates to the Russia Sanctions Regulations 2022 in line with the recommendations of the [Statutory Review Report](#). These updates will:
 - Stop the automatic application of sanctions to certain associates (i.e. all agents, senior managers and relatives of sanctioned persons who are not named in the regulations), and instead include a specific prohibition on sanctions evasion to mitigate the risk that would arise if sanctions no longer apply to these persons;



- Amend regulation 12 to allow banks to apply normal service charges to a designated person's bank account;
- Remove five HS codes relating to medical equipment from Schedule 3 (prohibited exports) to address a long-standing issue raised by a key stakeholder; and
- Ensuring that the dealings prohibitions in regulations 10 and 11 clearly apply to designated assets, given that New Zealand has now designated certain vessels.

The Amendment Regulations will **impose sanctions on 33 additional individuals and entities**. These are the persons who are most likely to be directly and materially affected by the Amendment Regulations as their rights and liberties may be detrimentally affected if they have links to New Zealand. Advance consultation with these people is not reasonably practicable. This is because the Ministry of Foreign Affairs and Trade (**Ministry**) needs to be able to recommend sanctions designations confidentially to the Minister of Foreign Affairs, without giving prior notice to targets. Giving prior notice to sanctions targets may undermine the purpose of designating, as it would allow any targets with assets in New Zealand to move these assets to other jurisdictions before sanctions take effect. This would undermine the effectiveness of the Russia sanctions framework.

The imposition of sanctions on additional targets may also affect certain New Zealand persons who are linked to new sanctions targets - for example, if a target's funds are held by a New Zealand trustee. However, it is unlikely that these impacts will be material. Consulting with such New Zealand persons about the application of sanctions to particular targets would risk giving notice to targets, and is not, therefore, reasonably practicable.

The Amendment Regulations will **revoke sanctions on one individual**, positively impacting their rights and liberties. That individual submitted a delisting application and can therefore be considered appropriately consulted.

The Amendment Regulations also make **minor and technical updates to the Russia Sanctions Regulations 2022** (the **Principal Regulations**) that follow from the recommendations of the 2025 Report of the Statutory Review of the Russia sanctions regime (the **Review Report**). The Review Report involved a public consultation process and invited submissions on the regime – ultimately making its recommendations based on that consultation process. The Amendment Regulations are consistent with these recommendations. In some instances, where the Review Report recommended changes to respond to specific stakeholders' concerns, the Ministry has conducted further consultation with those stakeholders to ensure that their concerns are appropriately addressed through the proposed updates. Accordingly, any person who may be affected by updating the Regulations has had the opportunity to make a submission, and the Ministry has undertaken further consultation with those whose interests will be directly and materially affected to the extent reasonably practicable.

Good law-making: 9(j)

The importance of carefully evaluating—

- the issue concerned; and
- the effectiveness of any relevant existing legislation and common law; and
- whether the public interest requires that the issue be addressed; and
- any options (including non-legislative options) that are reasonably available for addressing the issue; and
- who is likely to benefit, and who is likely to suffer a detriment, from the legislation

Inconsistency identified?

NO

Summary of agency analysis

The Amendment Regulations have been developed through a robust, transparent and evidence-based process. They are to be made under, and in accordance with, the Russia Sanctions Act 2022 (the **Act**) which was passed unanimously by the New Zealand Parliament in response to Russia's illegal invasion of Ukraine.

New Zealand's Russia sanctions regime aims to put pressure on Russia to end its aggression. It is important to update these sanctions periodically in order to increase pressure on Russia to stop its invasion, to ensure sanctions apply to individuals and entities as appropriate given the best information currently available, as well as to ensure that New Zealand remains in step with partners and avoid opening our institutions to exploitation by those acting in support of Russia's invasion, thereby undermining the interests of the New Zealand public.

The proposed designations in the Amendment Regulations are reasonable, proportionate and necessary to uphold the purpose of the Act. The designation and delisting processes involve a thorough evaluation of the appropriateness of sanctioning each individual or entity. Sanctions can only be imposed or maintained if the statutory test set out in section 8 of the Act is met.

The minor and technical textual amendments to the Russia Sanctions Regulations flow from the Review Report. The Review Report found that the regime is fit for purpose and does not require substantive amendment. However, it also identified some minor and technical issues with the Regulations and recommended ways to address these. With the Review Report completed, it is in the public interest that implementing each of the updates it proposes to the Regulations is seriously considered. Accordingly, the Ministry has carefully considered the benefits and any disadvantages of each change proposed by the Review Report, considered whether there may be any unforeseen consequences and the appropriateness of any alternative solutions.

Good law-making: 9(k)

The importance of the responsible agency identifying and developing effective arrangements for implementing the legislation

Inconsistency identified? NO

Summary of agency analysis

Effective arrangements are in place for implementing the Amendment Regulations.

The New Zealand Sanctions Unit within the Ministry is responsible for administering the Act as well as the Regulations to which these Amendment Regulations apply. The Sanctions Unit works closely with other New Zealand government departments and agencies, partner countries and stakeholders to ensure the effective implementation of the Act and Regulations. Due to the evolving nature of sanctions, the Regulations are updated periodically (this would be the thirty-sixth tranche of additional designations) and officials have established clear processes for giving effect to any required changes. The Sanctions Unit also produces and publishes guidance materials on updates to the legislation as appropriate.

Good law-making: 9(l)

Legislation should be expected to produce benefits that exceed the costs of the legislation to the public or persons

Inconsistency identified? NO

Summary of agency analysis



Although it is difficult to quantify the anticipated benefits and costs associated with the Amendment Regulations in monetary terms, the benefits are expected to exceed the costs.

The key benefits of the Amendment Regulations are that they will:

- Impose sanctions on additional targets in furtherance of New Zealand's foreign policy objective of appropriately responding to Russia's illegal invasion of Ukraine in line with partner countries; and
- Implement amendments recommended by the Review Report, which were requested by stakeholders to improve the clarity and usability of the Regulations and reduce compliance costs.

The costs of the Amendment Regulations will be minimal. As above, the most significant impacts will be on those persons (from Russia, North Korea and Iran) who will become subject to sanctions. We do not anticipate any significant costs for New Zealand individuals and there will be no additional cost for the New Zealand government associated with the Amendment Regulations. There may be some minor costs associated with implementing the Amendment Regulations for certain businesses that manage sanctions issues such as banks and law firms operating under New Zealand law, but we assess that these will be outweighed by the benefits set out above. Some of the key amendments proposed (such as changing the approach to the capture of 'associates' and removing the HS codes relating to medical equipment) were requested by stakeholders to reduce compliance costs.

Good law-making: 9(m)

Legislation should be the most effective, efficient, and proportionate response to the issue concerned that is available

Inconsistency identified?

NO

Summary of agency analysis



The Amendment Regulations represent the best option currently available to New Zealand in response to Russia's ongoing illegal war of aggression in Ukraine. New Zealand and partner countries imposed autonomous sanctions on Russia in 2022 because the United Nations Security Council is unable to in this instance. It is appropriate to update our Russia sanctions regime at this juncture to amend the list of individuals and entities to whom sanctions apply and to implement the Review Report recommendations.

The Amendment Regulations meet the statutory test set out in section 8 of the Act which provides that the Minister can only recommend regulations if he is satisfied that they are appropriate to respond to threats to the sovereignty or territorial integrity of Ukraine or another country. The proposed designations in the Amendment Regulations are reasonable, proportionate and necessary to uphold the purpose of the Act. Officials have assessed that each of the other proposed amendments is the most effective, efficient and proportionate change available to address the relevant issue identified in the Review Report.

Rule of Law: 9(a)(i)

The law should be clear and accessible

Inconsistency identified? NO

Summary of agency analysis

The Amendment Regulations are clearly drafted and the purpose of some of the updates is to improve the clarity of aspects of the existing Regulations. The consolidated Regulations will be accessible free of charge on the New Zealand Legislation website to all of those who are bound by them as well as those on whom sanctions are imposed. Additional guidance materials will also be publicly available on the Ministry's sanctions website.

Rule of Law: 9(a)(ii)

The law should not adversely affect rights and liberties, or impose obligations, retrospectively

Inconsistency identified? NO

Summary of agency analysis

The Amendment Regulations do not apply retrospectively. They will update the obligations set out in the Regulations only from the time the Amendment Regulations enter into force.

Rule of Law: 9(a)(iii)

Every person is equal before the law

Inconsistency identified? NO

Summary of agency analysis

The Russia Sanctions Act and Regulations apply equally to all New Zealand persons who are bound by them. 'New Zealand person' is defined in the Regulations as including New Zealand based businesses, individuals and entities. Section 7 of the Act provides that it also binds the Crown. Accordingly, the Amendment Regulations are designed to be administered equally.

For completeness, we note that compliance with New Zealand Bill of Rights (**NZBORA**) requirements was considered at the time the Russia Sanctions Bill 2022 was proposed for introduction to the House. It was assessed that while the legislation clearly targets Russian individuals and entities, the threshold for imposing sanctions does not distinguish on the basis of nationality. The Act expressly allows for other countries, and individuals of other nationalities, to be the target of sanctions – and the Amendment Regulations also impose sanctions on persons from North Korea and Iran that are assisting Russia in its aggression. To the extent that there is indirect discrimination against those of Russian nationality, this is demonstrably justified as necessary to hold those responsible for threats to the sovereignty and territorial integrity of Ukraine to account.

Rule of Law: 9(a)(iv)

There should be an independent impartial judiciary

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not impact on judicial appointments or independence from the executive and Parliament.

Rule of Law: 9(a)(v)

Issues of legal right and liability should be resolved by the application of law, rather than the exercise of administrative discretion

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis



The Amendment Regulations do not delegate authority to any administrative body to resolve issues relating to legal rights and responsibilities.

Liberties: 9(b)

Legislation should not unduly diminish a person's liberty, personal security, freedom of choice or action, or rights to own, use, and dispose of property, except as is necessary to provide for, or protect, any such liberty, freedom, or right of another person

Inconsistency identified? NO

Summary of agency analysis

The existing Act and Regulations place limitations on what “New Zealand” persons (rather than those designated) can do – for example by making it an offence to engage in certain dealings with designated persons. These restrictions are not ‘undue’ given the purpose of the sanctions in response to Russia’s illegal invasion of Ukraine. In addition, there are generally limited known connections between sanctioned persons and New Zealand persons who are bound by the Act and Regulations. The purpose of imposing these sanctions even when targets do not have a New Zealand connection is to send a strong political message and act in concert with our partners to ensure New Zealand cannot be used as a haven for sanctions evasion.

The imposition of sanctions on additional targets may nevertheless affect the rights and liberties of those designated, including in relation to their ability to enter New Zealand and to freely use and exchange private property in New Zealand. However, this is not an undue diminishment. The Amendment Regulations meet the threshold set out in section 8 of the Act – i.e., they are an appropriate response to Russia’s illegal invasion of Ukraine as they demonstrate New Zealand’s condemnation of threats to territorial sovereignty, including by a) being designed to exert pressure on Russia; or b) by complementing sanctions by other countries. These proposed sanctions are reasonable, proportionate and necessary to uphold the purpose of the Act.

As outlined above, compliance with NZBORA requirements was considered at the time the Russia Sanctions Bill 2022 was proposed for introduction to the House and subsequent Cabinet Papers have also highlighted that “specific sanctions imposed by regulation limit freedom of movement and freedom of association, for example travel bans. The limits on these are demonstrably justified in relation to the purpose of sanctions, and in that way are consistent with NZBORA.”

Taking of property: 9(c)

Legislation should not take or severely impair, or authorise the taking or severe impairment of, property without the consent of the owner unless-

- **there is a good justification for the taking or severe impairment; and**
- **fair compensation for the taking or severe impairment is provided to the owner; and**
- **the compensation is provided, to the extent practicable, by or on behalf of the persons who obtain the benefit of the taking or severe impairment**

Inconsistency identified?

NO

Summary of agency analysis

Under the existing Regulations, New Zealand persons are prohibited from dealing with the assets of sanctioned individuals and entities. This means that designated individuals and entities are prevented from using any assets they hold in New Zealand, including bank accounts and personal property. They become ‘restricted assets’ under the Regulations and are essentially frozen while sanctions remain in place.

The additional delegations in the Amendment Regulations will apply this restriction to additional targets. Officials consider that any resulting asset freeze would not be inconsistent with the taking of property principle because:

- It is arguable that a designated person’s ability to use New Zealand property should not be considered “severely” impaired in these circumstances. The sanctioned person remains the legal owner of the property and the impaired access to it is not intended to be permanent. Once Russia ends its illegal war in Ukraine, New Zealand sanctions must be lifted. In the meantime, while an asset is frozen, the Regulations provide for its value to be maintained.
- Even if the impairment is considered severe due to the extent of the impact on the owner’s ability to use or exchange property while subject to sanctions, there is a very good justification for this. As above, the sanctions imposed under the Amendment Regulations meet the statutory test set out in section 8 of the Act and are a proportionate and reasonable response to Russia’s illegal invasion of Ukraine.
- In these circumstances, where sanctions have been imposed due to links with Russia’s aggression, it would undermine the purpose of the Act to provide compensation to a sanctioned person in relation to their temporarily frozen assets in New Zealand.

In more practical terms, we note that officials have conducted research into each additional target that would be designated by the Amendment Regulations. This research has not indicated that any of the targets have assets in New Zealand. Each target is already sanctioned by at least one of our close sanctions partners. Given the due diligence undertaken by New Zealand banks, these targets would unlikely be able to establish or



maintain a bank account here. Accordingly, while the taking of property principle is relevant in theory, we assess that in practice it is unlikely to be relevant to the Amendment Regulations. It is nevertheless important to impose the full suite of sanctions on these targets, including a New Zealand asset freeze, to send an appropriately strong political message and act in concert with our partners to ensure that New Zealand cannot be used as a haven for sanctions evasion.

Taxes, fees and levies: 9(d)

The importance of maintaining consistency with section 22(a) of the Constitution Act 1996 (Parliamentary control of taxation)

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not provide for the imposition of any taxes or any other charges.

Taxes, fees and levies: 9(e)

Legislation should impose, or authorise the imposition of, a fee for goods or services only if the amount of the fee bears a proper relation to the cost of providing the good or service to which it relates

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not empower any fees to be imposed.

Taxes, fees and levies: 9(f)

Legislation should impose, or authorise the imposition of, a levy to fund an objective or a function only if the amount of the levy is reasonable in relation to both—

- the benefits that the class of payers is likely to derive, or the risks attributable to the class, in connection with the objective or function; and
- the costs of efficiently achieving the objective or providing the function

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not empower any levies to be imposed.

Role of courts: 9(g)

Legislation should preserve the courts' constitutional role of ascertaining the meaning of legislation

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not interfere with the courts' constitutional role of ascertaining the meaning of legislation.

Role of courts: 9(h)

Legislation should make rights and liberties, or obligations, dependent on administrative power only if the power is sufficiently defined and subject to appropriate review

Inconsistency identified? NOT APPLICABLE

Summary of agency analysis

The Amendment Regulations do not inappropriately provide for powers that can interfere with rights, liberties or obligations.

Additional information [optional]

Relevant publicly available inquiry, review, or evaluation reports

Other than the updates to the list of persons to whom sanctions apply, these regulatory updates follow from the [Report of the Statutory Review of the Russia Sanctions Act](#) published in June 2025.

Relevant international treaties, standards and obligations

There are no directly relevant international treaties or obligations. The Russia Sanctions framework was established in 2022 in response to Russia's invasion of Ukraine, in violation of international law, and the United Nations Security Council's inability to implement



multilateral sanctions in response to the threat posed under Chapter VII of the UN Charter, due to Russia's veto power in the Council.

The Amendment Regulations must comply with the [Russia Sanctions Act 2022](#), including section 8: Threshold for recommending sanction.

Departures from the Legislation Guidelines

Other unusual provisions or features