NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

RUSSIA SANCTIONS GUIDANCE

AUGUST 2026

Changes to Designations of Associates, Senior Managers and Relatives

What this guidance covers

This note is intended to provide guidance for persons affected by changes to the treatment of associates, senior managers and relatives, in relation to the Russia Sanctions Act 2022 and Russia Sanctions Regulations 2022. The changes take effect on 3 September 2026.

Notes

- This guidance does not constitute legal advice.
- It is not intended to provide guidance in relation to United Nations sanctions, or autonomous sanctions regimes of other countries relating to Russia or otherwise.
- Examples are provided to assist duty holders to meet their obligations under the Act and Regulations, but are not intended to be definitive or exhaustive.
- This guidance will be updated over time. Please continue to check the MFAT website to ensure you are using the most recent version of this guidance.
- If you have any questions about this guidance, please contact the team at the New Zealand Sanctions Unit at sanctions@mfat.govt.nz.

Document version information

VERSION NUMBER	DESCRIPTION	DATE
1.0	First Issue	7 AUGUST 2026

Contents

1. Changes to Designations of Associates, Senior Managers and Relatives from 3 September 2026

The Russia Sanctions Regulations 2022 (the Regulations) have been amended to change how associates, senior managers and relatives of sanctioned persons are identified for the purposes of New Zealand's sanctions regime.

Previously, the Regulations contained definitions of associate, senior manager, and relative. In some circumstances, persons meeting these definitions could be subject to sanctions restrictions without being expressly named on the New Zealand Sanctions Register.

The definitions of associate, senior manager and relative have now been removed and no longer appear in the Regulations. Instead, sanctions will only extend to 'associated entities', which are defined as entities owned or controlled by a sanctioned person. More detail is provided below.

Under the amended approach, individuals who the New Zealand government intends to sanction because of their relationship to a sanctioned person will generally be designated by name and listed on the New Zealand Sanctions Register.

This change is intended to make compliance easier and provide greater certainty for businesses, financial institutions, and other persons subject to sanctions obligations. When undertaking sanctions screening, you will generally be able to determine whether a natural person is sanctioned by checking the New Zealand Sanctions Register, rather than having to also assess whether a person falls within the definitions of associate, senior manager, or relative.

2. What Has Not Changed

The rules relating to the ownership and control of entities remain unchanged. However, these are now called "associated entities". Part 3 of Schedule 2 to the Regulations provides that sanctions extend to "associated entities" of sanctioned persons.

As a result:

- an entity that is owned or controlled by a sanctioned person may still be treated as sanctioned under the Regulations, even if the entity is not separately listed on the Sanctions Register;
- you should continue to undertake appropriate due diligence in relation to ownership and control; and
- dealings with entities that are owned or controlled by sanctioned persons may still be prohibited.

The amendments are intended to simplify the treatment of individuals associated with sanctioned persons. They do not alter New Zealand's existing approach to entities owned or controlled by sanctioned persons (associated entities).

3. Other Considerations

Even though sanctions no longer automatically apply to associates, senior managers and relatives of sanctioned persons, it is important that you consider whether dealing with those close to sanctioned individuals or entities could give rise to sanctions circumvention and evasion risks. The Regulations now prohibit dealings with assets, securities and services for the purpose of evading or circumventing a sanction. See more about this prohibition on sanctions evasion and circumvention guidance note.

EXAMPLE 1

Individual A is the adult child of a sanctioned person. Under the previous framework, sanctions would apply to both the sanctioned person and Individual A.

From 3 September 2026, Individual A is only sanctioned if they have been designated and appear on the New Zealand Sanctions Register.

EXAMPLE 2

Individual B is a long-standing business associate of a sanctioned person but is not named on the New Zealand Sanctions Register.

The fact that Individual B is an associate does not, by itself, mean that Individual B is sanctioned. However, persons should remain alert to the risk of sanctions evasion or circumvention and should consider whether any transaction would directly or indirectly benefit a sanctioned person.

EXAMPLE 3

Company X is not listed on the New Zealand Sanctions Register. However, a sanctioned person owns 80% of the company and can direct its activities.

The ownership and control provisions continue to apply. By virtue of being an 'associated entity' Company X will be treated as a sanctioned entity due to the reference to 'associated entities' in Part 3 of Schedule 2, despite not being separately listed on the Register, and dealings with Company X may be prohibited.

EXAMPLE 4

Individual C is the beneficial owner of Company Y. Individual C has been designated and appears on the New Zealand Sanctions Register, due to their association with a sanctioned oligarch.

Although sanctions do not automatically apply to associates, they may be sanctioned in their own right, which is the case with Individual C. Sanctions will also apply to Company Y because it is an 'associated entity' owned or controlled by sanctioned Individual C.

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