NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

RUSSIA SANCTIONS GUIDANCE

AUGUST 2026

Prohibition on Evading or Circumventing a Sanction

What this guidance covers

This note is intended to provide guidance in relation to the prohibition on dealing with assets, securities or services for the purpose of evading or circumventing a sanction, under the Russia Sanctions Act 2022 and Russia Sanctions Regulations 2022.

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

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1. Sanctions Evasion and Circumvention Prohibitions

The Russia Sanctions Regulations prohibit New Zealand persons[1] from dealing with an asset, security or a service where that dealing is for the purpose of evading or circumventing a sanction.

This new prohibition is intended to prevent sanctioned persons from using others to conduct business on their behalf and avoid the restrictions imposed on them. It strengthens the existing prohibitions relating to benefiting sanctioned persons and 'indirect' exports.

This type of prohibition also protects New Zealand from being targeted for sanctions evasion activity. It has broad application and applies to dealings through intermediaries or other third parties. A New Zealand person must not participate in a transaction, arrangement, or activity that has the purpose of avoiding the application of a sanctions measure, even where the arrangement does not technically involve a sanctioned person as a direct party.

Examples of conduct that may amount to sanctions evasion or circumvention include:

- dealing with assets that have been transferred to another person (such as a family member) to conceal a sanctioned person's ownership or control of those assets;
- restructuring a transaction to disguise the involvement of a sanctioned person;
- providing services to a non-sanctioned person where they are working as an agent of a sanctioned person; or
- exporting prohibited goods to an intermediary, who then exports those goods onto Russia.

When assessing a transaction or service, you should consider who else might be involved in the arrangement and not solely its legal form. The fact that a sanctioned person is not named as a party to a transaction will not, by itself, mean the transaction is permissible.

Although this is a new prohibition in the Regulations, it should not require a change in the way New Zealanders comply with the Russia sanctions regime and the approach to due diligence.

For more see our guidance note on due diligence.

EXAMPLE 1

Sanctioned Individual A transfers ownership of an investment property to a family member after becoming sanctioned but continues to receive income from the investment property.

Dealing with the investment property is likely to constitute sanctions evasion because it has the purpose of circumventing the asset freeze imposed on Individual A.

EXAMPLE 2

Company X in New Zealand provides consulting services to Company Y, which is not sanctioned. Company X knows that the services are being procured on behalf of a sanctioned entity and that the sanctioned entity will be the ultimate beneficiary of the work.

The provision of the services is prohibited because it has the purpose of indirectly benefiting a sanctioned person and circumventing the sanctions regime.

[1] Regulation 5 defines a New Zealand person as an individual who is in New Zealand, is a New Zealand citizen, or is ordinarily resident in New Zealand; or, an entity that is carrying on business in New Zealand, or is incorporated or registered under New Zealand law.

EXAMPLE 3

A sanctioned person owns and controls Company A. Following the imposition of sanctions, shares in Company A are transferred on paper to a non-sanctioned associate, but the sanctioned person continues to direct the company and receive its economic benefits.

Persons dealing with Company A should carefully assess whether the arrangement constitutes an effort to evade or circumvent sanctions. The transfer of ownership may not alter the underlying reality that the sanctioned person continues to own or control the company.

EXAMPLE 4

New Zealand Company B exports wine to a non-sanctioned distributor in a third country, knowing that the distributor will immediately supply the goods to a sanctioned person in Russia.

The export may be prohibited as an arrangement designed to circumvent the sanctions regime, notwithstanding that the sanctioned person is not the direct purchaser.

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