

AIDE MEMOIRE: RUSSIA SANCTIONS BILL (FOR CABINET ON 7 MARCH 2022)

Key points

- This Bill will allow New Zealand to build on its initial measures in response to Russia's invasion of Ukraine, in solidarity with Ukraine and in concert with the international community. Putin and his regime must be held to account for their actions.
- The Bill will allow sanctions against a wide range of individuals and entities that are responsible for, or associated with, actions that threaten Ukraine's sovereignty or territorial integrity. It will also allow us to sanction individuals and entities that are of economic or strategic relevance to Russia.
- It will prevent targeted individuals and entities from moving assets to New Zealand and it will allow us to freeze assets of those targeted that are already in New Zealand.
- It will ensure Russia cannot use New Zealand to circumvent other countries' sanctions regimes.
- The Bill will also give us the ability to place sanctions on designated assets or services. This can include restrictions on specific goods (including exports to Russia and imports from Russia) and financial services (e.g. banking services).
- We will be able to impose sanctions on non-Russian individuals, e.g. members of the Belarusian regime who are facilitating Russia's invasion of Ukraine.
- This Bill is specific to Russia and can only be used in response to Russia's aggression. It is not an autonomous sanctions regime.

Context

- Vladimir Putin's unjustified and unprovoked invasion of Ukraine is a flagrant violation of international law. His abdication of Russia's responsibility to uphold global peace and security is all the more egregious because Russia is a permanent member of the UN Security Council. New Zealand has consistently stood with Ukraine and the international community in our condemnation. We strongly support Ukraine's sovereignty and territorial integrity.
- Putin has doubled down in the face of international condemnation. Russia continues to escalate the conflict and is directly targeting Ukrainian civilians. This includes heavy shelling and missile attacks on residential areas, schools and hospitals, use of cluster bombs and thermobaric weapons, and siege tactics on Ukrainian cities. Russia's missile attack on a nuclear power plant demonstrated the potentially grave regional and global consequences of the conflict.
- Russia's attack on Ukraine cuts to the very heart of New Zealand's global interests. We depend on the international rules based system for our security and prosperity. We prize the sovereign right of states to determine their own future, including their security relationships, and we rely on respect for international law. Russia has used its veto power as a UNSC permanent member to block any action at the UN level including sanctions.

- All our like-minded partners (e.g. Five Countries, EU, Japan and Singapore) have now imposed direct sanctions on Russia, either unilaterally or through the European Union. In absence of any authorising legislation, New Zealand is unable to do the same.
- This Bill is important for New Zealand to stay in step with the international community's strong and united response to Putin's war. It will support our collective efforts to impose damaging consequences on the Putin regime and ensure Russia cannot exploit New Zealand as a way around other countries' sanctions regimes. The Bill also helps New Zealand take a clear stand in support of Ukraine.

Comparison to partners' regimes

- The Bill is constructed to ensure New Zealand can take measures consistent with those of the wider international community to respond to Russian aggression. ^{s6(a)}
- A number of other countries that have not used autonomous sanctions before have announced that they will do so for Russia. ^{s6(a)}

Russia Sanctions Bill vs Autonomous Sanctions Bill

- s9(2)(f)(vi) and s9(2)(g)(i)

Proactively released by the Ministry of Foreign Affairs and Trade

Political and economic impact

- New Zealand's trade relationship with Russia is small – in 2021 Russia only accounted for 0.5% of our goods exports. Half of that was dairy; the only other sectors of significance were seafood, apples, wine and medical devices. Only a few New Zealand exporters are likely to be affected by disruptions in this market and many New Zealand exporters are already suspended or redirecting their trade. ^{s6(a)}

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Next steps

- While the Bill is going through the House, officials will be preparing implementing regulations for approval by Cabinet. Officials are hopeful that regulations could be gazetted and sanctions imposed within two to three weeks of the legislation entering into force.