



2 May 2022

Minister of Foreign Affairs

For approval by

5 May 2022

Russia Sanctions – Disinformation and Cyber Actors Cycle

BRIEFING Decision Submission

PURPOSE To provide for your consideration information on eight actors involved in Russia's disinformation campaign and malicious cyber activity that may be designated under the Russia Sanctions Act 2022; and to seek your agreement to further "continuous improvement" amendments to the regulations.

Tukunga tūtohua – Recommended referrals

Prime Minister	For information by	5 May 2022
Deputy Prime Minister	For information by	5 May 2022
Minister Responsible for GCSB and NZSIS	For information by	5 May 2022
Attorney General	For information by	5 May 2022
Minister for Trade and Export Growth	For information by	5 May 2022
Minister of Immigration	For information by	5 May 2022
Minister of Defence	For information by	5 May 2022
Minister for Digital Economy and Communications	For information by	5 May 2022

Taipitopito whakapā – Contact details

NAME	ROLE	DIVISION	WORK PHONE
Andrea Smith s9(2)(g)(iii)	Deputy Secretary Unit Manager	Russia Sanctions Taskforce Russia Sanctions Taskforce	s9(2)(a)

Mā te Tari Minita e whakakī – Minister's Office to complete

<input type="checkbox"/> Approved	<input type="checkbox"/> Noted	<input type="checkbox"/> Referred
<input type="checkbox"/> Needs amendment	<input type="checkbox"/> Declined	<input type="checkbox"/> Withdrawn
<input type="checkbox"/> Overtaken by events	<input type="checkbox"/> See Minister's notes	

Comments

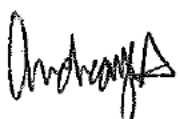
Russia Sanctions – Disinformation and cyber cycle

Pito matua – Key points

- President Putin employs a sophisticated disinformation apparatus to promote his narrative for the invasion of Ukraine. This latest cycle expands on the propagandists we have already sanctioned, by proposing for designation a notorious Russian-backed online “troll factory”, and additional prominent individuals responsible for the promotion of Russian disinformation.
- Russia’s war against Ukraine encompasses a digital front – relentless cyber attacks against Ukraine are often conducted in concert with kinetic military action. Recognising the destructive impact of Russia’s malign cyber activity, we also propose expanding our sanctions regime to include select key Russian military cyber actors.
- It is open to you to consider whether these individuals and entities meet the threshold for designation in section 8 of the Russia Sanctions Act, based on the information provided. It is also open to you to apply the full range of applicable sanctions to these individuals and entities.
- Officials also propose you consider amendments to the substantive text of the current sanctions, widening the regime’s application to cover ‘immediate family members’ of designated individuals, and further clarifying the ‘prohibition on dealing with services’. These amendments are intended to ensure the sanctions are appropriately targeted and continue to be fit for purpose.

s9(2)(g)(i)

- The following timeline is proposed:
 - Paperwork completed and returned to the Ministry by Thursday 5 May;
 - Regulations submitted to the Executive Council on the afternoon of Monday 9 May;
 - Regulations gazetted on Tuesday 10 May, with entry into force 12.01am Wednesday 11 May, and MFAT’s sanctions register updated shortly thereafter; and
 - A public announcement on 10 May. Given the significance President Putin attaches to Victory Day on 9 May, there is an opportunity for broader New Zealand Government messaging in response to any announcements by Putin. Draft messaging will be provided separately for the Minister of Foreign Affairs’ consideration.



Andrea Smith
for Secretary of Foreign Affairs and Trade

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Tūtohu – Recommendations

It is recommended that you:

- | | | |
|-------------|--|----------|
| 1 | Note that Ministers with Power to Act authorised officials to draft amendments to the Russia Sanctions Regulations and, accordingly, the attached regulations implement eight proposed designations and a number of refinements to the regulations in order to ensure they remain fit for purpose; | Yes / No |
| 2 | Agree that, in accordance with section 8 of the Russia Sanctions Act, the attached Russia Sanctions Amendment Regulations (no 4) 2022 (the Amendment Regulations) (in Annex 3) are: appropriate to respond to threats to the sovereignty or territorial integrity of Ukraine or another country; and that the UN Security Council is unlikely to act, or has acted insufficiently in response to the threat; | Yes / No |
| 3 | Approve the proposed Amendment Regulations, subject to minor or technical amendments as required; | Yes / No |
| 4 | Agree that the individuals and entities designated by these regulations are designated for the purposes of the following sanctions: travel ban (for individuals only); prohibition on vessels and aircraft entering Aotearoa New Zealand; prohibition on dealing with assets; prohibition on dealing with securities; and the prohibition on dealing with services; | Yes / No |
| 5 | Agree to the proposed refinements to the regulations to cover 'immediate family members' of designated individuals, and further clarify the 'prohibition on dealing with services'; | Yes / No |
| s9(2)(g)(i) | | |
| 7 | Note that Ministers with Power to Act agreed to a waiver of the 28 day rule for these regulations on the basis that Russia's invasion of Ukraine constitutes an international emergency that requires a swift response; | Yes / No |
| 8 | Note that the Amendment Regulations will be Gazetted on Tuesday 9 May, with entry into force at 12:01am on Wednesday 10 May; | Yes / No |
| 9 | Authorise submission to the Executive Council of the Russia Sanctions Amendment Regulations (no 4) 2022; | Yes / No |
| 10 | Sign the attached Executive Council Advice Sheets (Goatskin) for the Amendment Regulations; | Yes / No |
| 11 | Refer a copy of this submission to Ministers with Power to Act (those designated by Cabinet on 7 March) and the Minister for Digital Economy and Communications. | Yes / No |

Hon Nanaia Mahuta
Minister of Foreign Affairs / Minita Take Aorere

Date: / /

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Pūrongo – Report

1. President Putin continues to use all available levers in his war against Ukraine, including media and public messaging to promote and shape Russia's narrative, and cyber attacks, often in concert with kinetic military action. This cycle of sanctions is Aotearoa New Zealand's further response to, and rejection of, those actions. The proposed designations expand our sanctions regime to encompass additional key actors responsible for Russian disinformation and propaganda and, for the first time, suggests sanctioning key malicious cyber actors.

Disinformation (five designations)

2. President Putin utilises a sophisticated apparatus, leveraging direct government control of state media and influence over private media (including personal links to many of the oligarchs who own the companies), through to deploying Russian intelligence services' resources, and funding networks of online operatives. At the same time, there is a pervasive environment of fear, with dissenting voices suppressed and journalists critical of the government targeted. Russia promulgates its disinformation globally, ^{s6(a)} undermining the rules-based international order and seeking to obscure its violations of international humanitarian law.
3. Aotearoa New Zealand has already sanctioned a number of key individuals for their links to dissemination of disinformation relating to Ukraine, including the Kremlin and Ministry of Foreign Affairs spokespeople. Building on our previous designations, we propose additional prominent individuals involved in Russia's propaganda efforts for your consideration. We also propose the designation of the Internet Research Agency, a notorious "troll factory" first accused of meddling in the 2016 US presidential election and considered to be active on Ukraine.

Malicious cyber (three designations)

4. ^{s6(a)}
^{s6(a)} Russian-aligned groups were active against Ukraine since at least the annexation of Crimea in 2014. Their choice of targeting and activities suggested an element of "pre-positioning" for conflict in the year preceding the invasion. Since the invasion, Russia has engaged in a relentless campaign of cyber attacks against Ukraine, often in concert with kinetic military action. Targets have included the Ukrainian government, IT, energy, and financial organisations, with the aim to disrupt or destroy, undermine confidence, and facilitate the collection of intelligence that could provide military advantage to Russia. These activities have disrupted civilian infrastructure outside of Ukraine, including in many European countries.
5. ^{s9(2)(g)(i)} Previous cyber attacks against Ukraine have been publicly attributed by our Five Country partners to Russia's intelligence services, and in some instances to specific units.
Designations of key actors would nonetheless signal that we are responding to the full range of Russian "warfare" against Ukraine. and would further align our sanctions list to some partners. ^{s9(2)(g)(i)}
^{s9(2)(g)(i)}
6. Detailed information sheets (Annex 1) have been provided for your consideration. The proposed designations have been sanctioned by at least one other partner jurisdiction. Officials have drawn from a variety of open source information.

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Consideration regarding the sanctioning of Russian media entities

7. Our existing designations and those we are proposing for your consideration already impose some limits on freedom of expression and plurality of views.
8. Partners are actively ^{s6(b)(i)} designating ^{s6(b)(i)} media organisations, with the UK sanctioning the parent companies of RT (formerly Russia Today) and Sputnik, and the EU suspending their transmission.
9. Following Sky Television's decision to suspend broadcasting RT in Aotearoa New Zealand, agencies are not aware of any other Russian media broadcasting here although content remains freely available online.

s9(2)(g)(i)

Risk of retaliatory cyber attacks

s6(a)

14. The GCSB's National Cyber Security Centre is working with nationally significant organisations to help them understand the elevated risk of cyber attack from Russia, and to take steps to improve their cyber security.

Continuous improvements to the current sanctions

15. Officials also propose amendments to the substantive text of the regulations in order to ensure the sanctions are appropriately targeted and fit for purpose.
16. *Automatic application to relatives.* The Act allows for the Regulations to apply sanctions to 'relatives' of designated individuals as if they are designated themselves. While family members assisting a designated person to contravene sanctions would likely be caught as 'associates' under the Regulations, officials are of the view it would aid implementation of the sanctions regime and mitigate risk to define 'relatives' as a class and

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apply sanctions automatically on them (as appropriate). Accordingly, the amendments introduce a definition of 'relative' that captures an individual's immediate family¹. At this stage, it is proposed that the class of 'relatives' have the prohibitions pertaining to ships and aircraft, assets, and securities applied. The effect of this amendment would be that these prohibitions will automatically extend to immediate family members of designated individuals (for example, the families of President Putin and his inner circle). Further outreach with stakeholders would be required if we were to apply travel bans to relatives. Additionally, the services prohibition is under review and officials consider it prudent to confirm the parameters of the prohibition before applying it to the new class.

17. *Refining the 'prohibition on dealing with services'*. As you are aware, the Regulations Review Committee has raised a concern that Regulation 11 of the Regulations prohibits activity in relation to services "supplied to the world at large" that are being accessed in good faith by New Zealand persons and, coincidentally, by sanctioned persons, without any link between the two. For example, if both President Putin and a New Zealand person were to access the "Stuff" website. Officials consider that when Regulation 11 is read together with the rest of the regulations and the Russia Sanctions Act 2022, it can and should be more narrowly interpreted. We see value in amending the text of Regulation 11 to make this clear. The Amendments therefore clarify how the services prohibition applies to New Zealand persons accessing services "supplied to the world at large" and providers of those services. We will continue to keep the services prohibition under review as we designate additional individuals and entities.

Applicable sanctions

18. The Minister of Foreign Affairs must be satisfied that the two limbs of the threshold at section 8 of the Russia Sanctions Act have been met, as outlined in Annex 2, for both the proposed designations and amendments. In respect of the proposed designations, we would ask that you initial the corresponding information sheet as a record of your approval.
19. Officials recommend the proposed individuals and entities are designated for the purposes of the full range of sanctions under the Regulations. These are:
- Travel ban (for individuals only);
 - Prohibitions on related vessels and aircraft entering Aotearoa New Zealand's ports and airspace;
 - Prohibition on people dealing with the designated individual's or entity's assets (asset freeze);
 - Prohibition on people dealing with securities of designated entity; and
 - Prohibition on people dealing with services provided by, to, or for the benefit of the designated individual or entity.
20. To give effect to these designations and amendments, draft Russia Sanctions Amendment Regulations (no 4) 2022 are attached as Annex 3. Approved designations will be added to the relevant Schedule of the Regulations and approved amendments will be incorporated into the Regulations upon entry into force. Accordingly, these Amendment Regulations should be considered in the context of the Regulations as a whole as they stand at this point in time.

¹ Spouse and spouse equivalent, parents and step-parents, siblings and step-siblings, and children and step-children.

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Consultation

21. Elements of this submission were discussed with the Ministry for Culture and Heritage, the Department of Internal Affairs, Broadcasting Standards Authority, Media Council, the Government Communications Security Bureau's National Cyber Security Centre, the New Zealand Security Intelligence Service, Department for Prime Minister and Cabinet, the Reserve Bank of New Zealand, the Ministry of Justice, and Police.

Proactively released by the Ministry of Foreign Affairs and Trade

Threshold for recommending sanctions

The Minister **may**, at her discretion, recommend regulations (section 8(1) of the Russia Sanctions Act 2022) to further the purpose of the Act.

The purpose of the Act is to enable New Zealand to impose and enforce sanctions in response to military actions by Russia (and other countries or persons who may be assisting Russia).

There are **two limbs** of the threshold and both must be met.

Limb 1

Limb 2

The Minister must be **satisfied** that regulations are **appropriate to respond to threats to the sovereignty or territorial integrity of Ukraine** or another country.

“Threats to the sovereignty or territorial integrity of Ukraine, or another country” flow from **military actions by Russia** (and by countries or persons who may be assisting Russia) that began on 24 February 2022 (section 3 of the Act) but may relate to military actions in Ukraine or in any other country.

A **response** includes sanctions of persons, assets or services under the Act.

Test for “**appropriate**”:
A response is **appropriate** if the Minister considers it demonstrates New Zealand’s condemnation of the threat (section 8(2)).

A response is appropriate if it is:

OR

Designed to exert pressure on Russia, or another country (section 8(2)(a) of the Act).

- Seeking to interrupt economic relations is one example of a response that would exert pressure on Russia.

Evidence of pressure actually being exerted is not required.

OR

Complements or reinforces sanctions by other countries.

The Minister can take into account the sanctions implemented by other countries when considering what is appropriate (s8(2)(b) of the Act).

OR

The Minister may decide a response is appropriate for any other reason in keeping with the purpose of the Act that is not listed under section 8(2)(a) and (b)).

And

The Minister must be **satisfied** that the United Nations Security Council is unlikely to act in response, or has acted and the action is or may be insufficient, to the threat [under Chapter VII of the UN Charter] (section 8(3)).

Information provided:

- An **Information Sheet** is provided by the Ministry in respect of each person or entity proposed for designation under the Act and its Regulations.
- The information in the Information Sheet is **open source** and based on **multiple sources**.
- The proposed individual or entity may be an ‘associate’ of another designated individual or entity. (Section 10 of the Act; section 5(2) of the Regulations))