



31 March 2022

Minister of Foreign Affairs

For approval by

1 April 2022

## Russia Sanctions - New Designations on Economic Elites

**BRIEFING** Decision Submission

**PURPOSE** To provide for your consideration information on 36 individuals that may be sanctioned under the Russia Sanctions Regulations 2022; and to seek your agreement to some “continuous improvement” amendments to the regulations.

## Tukunga tūtohua – Recommended referrals

Prime Minister	For information by	4 April 2022
Deputy Prime Minister	For information by	4 April 2022
Minister Responsible for the GCSB	For information by	4 April 2022
Attorney General	For information by	4 April 2022
Minister for Trade and Export Growth	For information by	4 April 2022
Minister of Immigration	For information by	4 April 2022
Minister of Defence	For information by	4 April 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 Withdrawn |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 Regulations: New Designations on Economic Elites

### Pito matua – Key points

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- Officials propose you consider designating **36 Russian economic elites** through the Russia Sanctions Amendment Regulations. These individuals have all been designated by Australia and at least two other partner jurisdictions. It is open to you to consider whether these individuals meet the threshold in Section 8 of the Russia Sanctions Act, based on the information provided.
- It is open to you to apply the full range of currently available sanctions on these 36 individuals: travel bans; prohibitions on related vessels and aircraft entering Aotearoa New Zealand; prohibition on people dealing with their assets (asset freeze) and a prohibition on dealing with services provided by, to, or for the benefit of them.
- It is also open to you to extend the prohibition
- on dealing with services to President Vladimir Putin and the 12 Permanent Members of his Security Council.
- An exception to sanctions is proposed to ensure Embassy functions are not disrupted.
- Agreed designations will be added to the Schedule of the Russia Sanctions Regulations scheduled to be published at approximately 5pm Monday 4 April. They will also be published on the sanctions register maintained by MFAT.
- A draft press release and tweet are provided for your consideration and approval.

Andrea Smith  
for Secretary of Foreign Affairs and Trade

## Russia Sanctions Regulations: New Designations on Economic Elites

### Tūtohu – Recommendations

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It is recommended that you:

- |    |  |          |
|----|--|----------|
| 1  | <b>Note</b> that on 28 March Cabinet authorised officials to draft amendments to the Russia Sanctions Amendment Regulations.   | Yes / No |
| 2  | <p><b>Agree</b> that, in accordance with section 8 of the Russia Sanctions Act (the Act), the attached Russia Sanctions Amendment Regulations 2022 (in Annex 3):</p> <ul style="list-style-type: none"> <li>• are appropriate to respond to threats to the sovereignty or territorial integrity of Ukraine, and</li> <li>• that the United Nations Security Council is unlikely to act in response to the threat.</li> </ul> | Yes / No |
| 3  | <b>Agree</b> that the Amendment Regulations are designed to exert pressure on Russia by interrupting economic relations and complementing and reinforcing sanctions by other countries;  | Yes / No |
| 4  | <b>Approve</b> the proposed Amendment Regulations, which include adding 36 individuals to the Schedule, subject to minor or technical amendments as required;  | Yes / No |
| 5  | <b>Agree</b> that the full range of currently available sanctions are applied to these individuals (consisting of travel bans; prohibitions on vessels and aircraft entering Aotearoa New Zealand; prohibition on dealing with assets; prohibition on dealing with services);  | Yes / No |
| 6  | <b>Agree</b> to include an additional exception into the regulations to make it clear that New Zealand persons are able to deal with assets and provide services to diplomatic missions;   | Yes / No |
| 7  | <b>Agree</b> to extend sanctions on President Vladimir Putin and the 12 Permanent Members of his Security Council to include a prohibition on dealing with services provided by, to, or for the benefit of them;   | Yes / No |
| 8  | <b>Note</b> that Cabinet agreed on 28 March 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 |
| 9  | <b>Note</b> that Gazetting of the Amendment Regulations will occur at approximately 5pm on Monday 4 April, with entry into force at 12:01am on Tuesday 5 April, and the MFAT hosted public sanctions register will be updated soon after;  | Yes / No |
| 10 | <b>Authorise</b> submission of the proposed Amendment Regulations under the Act to the Executive Council;  | Yes / No |
| 11 | <b>Sign</b> the attached Executive Council Advice Sheets (Goatskin) for the regulations.   | Yes / No |

## Russia Sanctions Regulations: New Designations on Economic Elites

12 **Refer** a copy of this submission to Ministers with Power to Act **Yes / No**  
(those designated by Cabinet on 7 March).

Hon Nanaia Mahuta  
Minister of Foreign Affairs / Minita Take Aorere

Date:        /        /

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## Russia Sanctions Regulations: New Designations on Economic Elites

### Pūrongo – Report

1. You have approved our work programme under the Russia Sanctions Act. Under that plan, we proposed to provide advice to enable you to designate 8-20 'oligarchs' on 31 March. The purpose of this submission is to provide those designations for your consideration. We have been able to exceed our target number by also including those family members of oligarchs that have also been designated by our partners.
2. Officials recommend you consider designating 36 individuals that:
  - have been, or are still, of economic or strategic relevance to Russia; and
  - have all been designated by Australia and at least two other partner jurisdictions.

This group includes 14 family members of economic elites; and extends prohibitions for 6 individuals who are already on our travel ban list.
3. Detailed information sheets on each individual have been provided for your consideration in Annex 1 along with a cover summary sheet. In developing these sheets officials have drawn extensively from<sup>s6(a)</sup> open source information from a variety of sources.
4. It is open to you to consider whether each individual meets the threshold in Section 8 of the Russia Sanctions Act. If you are satisfied that it is, we would ask that you initial the corresponding information sheet as a record of your approval. Annex 2 contains a flowchart of the Section 8 threshold for ease of reference.
5. Officials recommend the full range of currently available sanctions be imposed on them, which consist of:
  - Travel bans in respect of the 30 individuals not already captured by sanctions on 18 March;<sup>1</sup>
  - Prohibitions on related vessels and aircraft entering Aotearoa New Zealand's ports and airspace (to all);<sup>2</sup>
  - Prohibitions on dealing with the designated person's assets (asset freeze) (to all);<sup>3</sup> and
  - Prohibitions on people dealing with services provided by, to, or for the benefit of the designated person (to all).<sup>4</sup>
6. On 28 March, Cabinet authorised the submission of the Russia Sanctions Amendment Regulations 2022 to the Executive Council. To give effect to these new designations, draft regulations are attached in Annex 3. Subject to your approval, the timeline is as follows:
  - MFA to sign paperwork and return morning of 4 April;
  - Regulations submitted to the Executive Council on the afternoon of 4 April;

<sup>1</sup> Regulation 7, Russia Sanctions Regulations 2022.

<sup>2</sup> Regulations 8 and 9, Russia Sanctions Regulations 2022.

<sup>3</sup> Regulation 10, Russia Sanctions Regulations 2022.

<sup>4</sup> Regulation 11, Russia Sanctions Regulations 2022.

## Russia Sanctions Regulations: New Designations on Economic Elites

- Regulations gazetted at approximately 5pm on Monday 4 April, with entry into force at 12:01am on Tuesday 5 April, and MFAT's sanctions register updated shortly thereafter; and
  - A public announcement via draft press release and tweet after 5pm on Monday 4 April (drafts attached at Annex 4, together with talking points);
7. Roman Abramovich is the individual with the highest public profile among the information sheets put forward for your consideration. He has already been sanctioned by Australia, Canada, the European Union, and the United Kingdom. <sup>s6(a), s6(b)(i)</sup>
  8. Media reports suggest Abramovich has used complex financial arrangements to shift at least some of his assets into the United States in the last fortnight. While we cannot be certain that he has no assets here, designating Abramovich would act to prevent him or his agents exploiting Aotearoa New Zealand as a safe haven. Aotearoa New Zealand sanctioning Abramovich <sup>s6(a), s6(b)(ii)</sup>

### Continuous improvement of the regulations

9. The remainder of this submission covers a series of continuous improvements that are proposed to the regulations.
10. *Extend the 'services prohibition'*. The services prohibition was not imposed on President Putin and the 12 Permanent Members of his Security Council when they were originally sanctioned on 18 March. <sup>s6(a), s9(2)(g)(i)</sup>

We therefore recommend that you agree to extend the prohibition in dealing with services to these 13 individuals.

11. *Embassies*. We are obligated under Article 25 of the Vienna Convention on Diplomatic Relations to "accord full facilities for the performance of the functions of [a diplomatic] mission" in New Zealand. Similarly, we do not wish to inadvertently interrupt the functioning of the New Zealand Embassy in Moscow by prohibiting their activities under our law. In order to make it clear that New Zealand persons are able to deal with assets and provide services in discharging diplomatic duties without breaching sanctions, we propose to include an additional exception in Regulation 12 of the Russian Sanctions Regulations 2022 which clarifies that a New Zealand person may deal with restricted assets and receive or provide services to a sanctioned person or their associate for the purpose of supporting the performance of the ordinary functions of a diplomatic mission.
12. *Release of information sheets*. In previous advice, we signalled that the information sheets may be released on the sanctions register. However, following engagement <sup>s9(2)(h)</sup> it is now considered prudent to not release them proactively. They will still be subject to requests under the Official Information Act and Privacy Act, which may require their

## Russia Sanctions Regulations: New Designations on Economic Elites

release. <sup>s9(2)(g)(i)</sup>

13. *Change to information sheet.* <sup>s9(2)(g)(i)</sup>  
, as a result of further reflection of legal considerations.

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