



SANCTIONS ALERT

Reference: FIU-2022-SANC01

March 2022

Russia Sanctions Act passed under urgency

On 24 February 2022, without provocation, Russian forces initiated a comprehensive invasion of Ukraine.

On 9 March 2022, Parliament unanimously passed a Russia Sanctions Act ('the Act') to respond to the gravity of Russia's violation of the sovereignty and territorial integrity of Ukraine. The Act establishes a framework to impose and enforce sanctions on persons, assets, and services where appropriate to respond to threats to the sovereignty or territorial integrity of Ukraine or other countries threatened by Russia's actions. The Act imposes an asset freeze and dealings prohibition on designated persons, assets, and services to be listed in regulations and designation notices.

The Act also places **asset freezing and reporting obligations** on all designated persons as well as entities captured as 'reporting entities' under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 ('the AMLCFT Act').

What are sanctions?

Sanctions are restrictions that the New Zealand government or the United Nations Security Council (UNSC) impose on activities relating to countries, goods and services, people, or entities.

The Ministry of Foreign Affairs and Trade has [information about sanctions](#), as well as a list of New Zealand regulations implementing UN sanctions regimes.

New Zealand sanction laws

Prior to the introduction of the Act, sanctions in New Zealand were authorised by the United Nations Act 1946 which allowed for UNSC resolutions to be codified in New Zealand regulations.

This new Act allows for New Zealand to apply sanctions against any country threatening the sovereignty or territorial integrity of Ukraine. The focus will be Russia, however the Act allows for sanctions against any country providing assistance to Russia, including Belarus.

Obligations of reporting entities

Reporting entities under the AMLCFT Act should be aware of these sanctions so they can decide whether they should submit a suspicious activity report (SAR). Reporting entities are reminded that their AML/CFT programmes must include provisions to identify any grounds for reporting suspicious activity (s31(2)). This includes where there are reasonable grounds to suspect a transaction or activity is or may be relevant to the investigation or prosecution of an offence including a sanctions related offence (s39A)(b)(v)). Once the corresponding Regulations have been enacted, the FIU will publish further guidance.