



0

SANCTIONS ALERT

Reference: FIU-2022-SANC03

13 October 2022

Russia Sanctions – Economic Elites Tranche

Under section 11 of the Russia Sanctions Act 2022 (RSA), the Secretary of Foreign Affairs and Trade can give [designation notices](#). Designation notices provide further details on individuals, entities, or classes of persons who have already been sanctioned by the Minister of Foreign Affairs and listed in the Russia Sanctions Regulations 2022. Designation notices are intended to assist users in complying with the Regulations.

The New Zealand Police Financial Intelligence Unit (FIU) is alerting all duty holders of a new tranche of sanctions under the RSA, which are effective 11 October 2022.

Economic Elites

This tranche of sanctions builds on previous designations by Aotearoa New Zealand of over 50 oligarchs who are members of Russia's economic elite who own assets and provide services with economic or strategic relevance to Russia. These sanctions further underline Aotearoa New Zealand's condemnation of Russia's war in Ukraine and complement the sanctions of others.

Included in the group of sanctioned economic elites is Alexander ABRAMOV, who has well known economic links to New Zealand. The sanctions that apply to ABRAMOV will

- prevent him and his immediate family from travelling to New Zealand;
- prohibit ships owned or controlled by him from entering a port in New Zealand; and
- prohibit aircraft owned or controlled by him from entering the territorial airspace of New Zealand.

A Russian steel company that ABRAMOV founded and is the second largest shareholder of, Evraz plc, has also been sanctioned. Evraz produces more than 25% of all Russian railway wheels and almost all of Russia's rail lines.

The sanctions are effective as of 11 October 2022, and are effective for three years, unless revoked earlier.

Additional Measures

In addition to the sanctions listed above, new trade measures have been implemented:

- expansion of the range of exports of strategic importance prohibited to Russia and Belarus
- prohibition of certain luxury goods from being traded with Russia
- prohibition of imports of Russian oil, gas, and coal
- prohibition of the export oil exploration and oil production goods to Russia
- extension of the 35% import tariff on goods of Russian origin until 2025

Obligations of Reporting Entities

It is critical that all duty holders identify and quickly report suspicious activity associated with potential sanctions evasion, and conduct appropriate risk-based customer due diligence, or, where required, enhanced due diligence.

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)).

Further Information

The Ministry of Foreign Affairs and Trade has [information about the Russian invasion of Ukraine](#), as well as [information](#) on Designation Notices, Guidance Material and the latest Russia Sanctions Register.

Please email MFAT with any queries on the Russian Sanctions regime via the RST inbox: RussianSanctions@mfat.govt.nz.