



Russia Sanctions Amendment Regulations (No 2) 2022

Cindy Kiro, Governor-General

Order in Council

At Wellington this 19th day of April 2022

Present:

Her Excellency the Governor-General in Council

These regulations are made under sections 9 and 32 of the Russia Sanctions Act 2022—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister of Foreign Affairs made in accordance with sections 8 and 32(1)(c) of that Act.

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Regulations

1 Title

These regulations are the Russia Sanctions Amendment Regulations (No 2) 2022.

2 Commencement

- (1) Part 1 of these regulations comes into force on 20 April 2022.
- (2) Part 2 of these regulations comes into force on 25 April 2022.

3 Principal regulations

These regulations amend the Russia Sanctions Regulations 2022.

Part 1

Amendments commencing on 20 April 2022

4 Regulation 4 amended (Designated persons and designated assets)

- (1) In regulation 4(a), after “10(1)”, insert “10A(1),”.
- (2) In regulation 4(b), replace “and 10(2)” with “10(2) and (3), and 10A(1)(b)”.
- (3) After regulation 4(b), insert:
 - (c) the services described in regulation 11(2)(b) (which, accordingly, are **designated services** for the purposes of the Act).

5 Regulation 5 amended (Interpretation)

In regulation 5(3)(b)(i), (ii), and (iii), replace “more than 25%” with “50% or more”.

6 New regulation 5A inserted (Transitional, savings, and related provisions)

After regulation 5, insert:

5A Transitional, savings, and related provisions

The transitional, savings, and related provisions set out in Schedule 1 have effect according to their terms.

7 Regulation 7 amended (Sanctioned individuals not to travel to, enter, or remain in New Zealand)

In regulation 7(1), replace “the Schedule” with “Schedule 2”.

8 Regulation 8 amended (Ships not to enter ports in New Zealand)

In regulation 8(5), definition of **sanctioned person**, replace “the Schedule” with “Schedule 2”.

9 Regulation 9 amended (Aircraft not to enter territorial airspace of New Zealand)

In regulation 9(4), definition of **sanctioned person**, replace “the Schedule” with “Schedule 2”.

10 Regulation 10 replaced (Prohibition on dealing with assets)

Replace regulation 10 with:

10 Prohibition on dealing with assets of, or for benefit of, sanctioned persons

- (1) This regulation applies to—
- (a) a person who is, or is in a class of persons that is, listed in Schedule 2 as a person or class sanctioned by this regulation (a **sanctioned person**); and
 - (b) an asset referred to in subclause (2) or (3), whether it is in or outside New Zealand.
- (2) A New Zealand person must not deal with an asset that is owned or controlled by a sanctioned person.
- (3) A New Zealand person must not deal with any asset if dealing with the asset—
- (a) would result in a sanctioned person owning or controlling the asset; or
 - (b) would otherwise be for the benefit of a sanctioned person.
- (4) However, this regulation does not apply to an asset to which regulation 10A applies.

10A Prohibition on dealing with securities of sanctioned persons

- (1) This regulation applies to—
- (a) a person who is, or is in a class of persons that is, listed in Schedule 2 as a person or class sanctioned by this regulation (a **sanctioned person**); and
 - (b) an asset that is a security of a sanctioned person.
- (2) A New Zealand person must not deal with a security of a sanctioned person if doing so—
- (a) would result in the New Zealand person acquiring—
 - (i) any legal or equitable estate or interest in the security; or
 - (ii) possession of the security; or
 - (iii) rights in relation to the security; or
 - (b) would result in a sanctioned person owning or controlling the security; or
 - (c) would otherwise be for the benefit of a sanctioned person.
- (3) In this regulation, **security of a sanctioned person** means—

- (a) a share in the sanctioned person; or
- (b) a debt security under which the sanctioned person is liable to repay money or pay interest or other returns (other than as a guarantor); or
- (c) a managed investment product that relates to a managed investment scheme of which the sanctioned person is the manager; or
- (d) a derivative entered into by the sanctioned person; or
- (e) a security or other arrangement or facility (by whatever name called) that has, or is intended to have, the effect of a person making an investment in, or managing a financial risk issued by, a sanctioned person.

11 Regulation 11 amended (Prohibition on dealing with services)

In regulation 11(1), replace “the Schedule” with “Schedule 2”.

12 Regulation 12 amended (Sanctions on assets and services do not apply in certain circumstances)

- (1) In regulation 12(1), after “regulations 10”, insert “, 10A,”.
- (2) In regulation 12(7), replace “service referred to in regulation 11(2)” with “restricted service”.
- (3) In regulation 12(8), definition of **relevant date**, paragraph (b), replace “the Schedule” with “Schedule 2”.
- (4) In regulation 12(8), replace the definition of **restricted asset** with:
restricted asset means an asset referred to in regulation 10(2) or (3) or 10A(1)(b)
- (5) In regulation 12(8), insert in its appropriate alphabetical order:
restricted service means a service referred to in regulation 11(2)
- (6) In regulation 12(8), definition of **sanctioned person**, after “regulation 10”, insert “, 10A,”.
- (7) After regulation 12(8), insert:

Guidance note

For humanitarian organisations, see regulation 18.

13 New Part 6 inserted

After regulation 12, insert:

Part 6

Miscellaneous matters

18 Humanitarian organisations not subject to sanctions

- (1) The sanctions imposed by these regulations do not apply in relation to a humanitarian organisation carrying out its humanitarian activities.
- (2) In this regulation, **humanitarian organisation** means any of the following:
 - (a) the United Nations (including its programmes, funds, other entities and bodies, specialised agencies, and related organisations):
 - (b) the International Red Cross and Red Crescent Movement:
 - (c) a non-governmental organisation accredited under the New Zealand Disaster Response Partnership (as listed at <https://www.mfat.govt.nz/en/aid-and-development/working-with-the-aid-programme/funding-opportunities/nz-disaster-response-partnership/>).

19 Duty holders

- (1) This regulation declares persons to be duty holders for the purposes of section 15 of the Act.
- (2) A person is a duty holder if they—
 - (a) are in trade (including as a registered auctioneer (as defined in section 4(1) of the Auctioneers Act 2013)); and
 - (b) buy or sell all or any of the following by way of a transaction, or a series of related transactions, the total value of which is equal to or above \$10,000:
 - (i) jewellery:
 - (ii) watches:
 - (iii) gold, silver, or other precious metals:
 - (iv) diamonds, sapphires, or other precious stones:
 - (v) paintings:
 - (vi) prints:
 - (vii) protected foreign objects (as defined in section 2(1) of the Protected Objects Act 1975):
 - (viii) protected New Zealand objects (as defined in section 2(1) of the Protected Objects Act 1975):
 - (ix) sculptures:
 - (x) photographs:
 - (xi) carvings in any medium:
 - (xii) other artistic or cultural artefacts:

- (xiii) motor vehicles (as defined in section 6(1) of the Motor Vehicle Sales Act 2003):
- (xiv) ships (within the meaning of section 2(1) of the Maritime Transport Act 1994).

14 New Schedule 1 inserted

Insert the Schedule 1 set out in Schedule 1 of these regulations as the first schedule to appear after the last regulation of the principal regulations.

15 Schedule amended

- (1) Replace the Schedule heading with:

Schedule 2 Sanctioned persons

rr 7–11

- (2) In the Schedule, Part 1, insert in their appropriate alphabetical order the items set out in Schedule 2 of these regulations.
- (3) In the Schedule, Parts 1 and 2, column 2, after “10,”, insert “10A,” in each place.
- (4) In the Schedule, Part 3, after the item relating to regulation 10, insert:

An associate of a person listed in Part 1 or Part 2 of this schedule r 10A
as a person sanctioned by regulation 10A

Part 2

Amendments commencing on 25 April 2022

16 New regulations 13 and 14 and cross-heading inserted

After regulation 12, insert:

Prohibited exports

13 Prohibited exports

- (1) A New Zealand person must not export to Russia or Belarus an asset that is in a class of assets the Harmonised System code for which is listed in Schedule 3.
- (2) In this regulation, **Harmonised System code** for a class of assets means the code by which that class of assets is identified in the Working Tariff Document (as defined in section 2(1) of the Tariff Act 1988).
- (3) This regulation is subject to regulation 14.

Guidance note

See the Customs Service's Internet site (<https://www.customs.govt.nz/business/tariffs/working-tariff-document/>) for the Working Tariff Document.

See the Ministry of Foreign Affairs and Trade's Internet site (<https://www.mfat.govt.nz/en/countries-and-regions/europe/ukraine/russian-invasion-of-ukraine/sanctions>) for more information about the classes of assets that are affected by this sanction and how to seek an exemption under section 13 of the Russia Sanctions Act 2022.

14 Export prohibition does not apply in certain circumstances

A New Zealand person may export an asset if the person does so in good faith for a humanitarian purpose and doing so is consistent with the purposes of these regulations.

Guidance note

For humanitarian organisations, see regulation 18.

17 New Part 5 inserted

After regulation 14, insert:

Part 5 Other legislation modified, extended, disappplied, or suspended

Subpart 1—Tariff Act 1988

15 Act modified

This subpart modifies the Tariff Act 1988.

16 Modification of tariff on goods of Russian origin

Section 3 of the Tariff Act 1988 is modified as if it were amended by inserting the following after section 3(4):

- (5) Despite subsection (1), duties must be levied, collected, and paid in relation to goods of Russian origin as if the rate specified in the Tariff for those goods were 35%.
- (6) The concessions usually applying to goods falling within concession reference numbers 94 and 99 under Part 2 of the Tariff do not apply to goods of Russian origin.

17 Revocation

This subpart is revoked on 5 November 2022.

18 New Schedule 3 inserted

After the last Schedule of the principal regulations, insert as Schedule 3 the schedule set out in Schedule 3 of these regulations.

Schedule 1
New Schedule 1 inserted

r 14

Schedule 1
Transitional, savings, and related provisions

r 5A

Part 1
Provision relating to Russia Sanctions Amendment Regulations
(No 2) 2022

1 Savings: new tariff rate does not apply to goods already en route

Regulation 16 (as inserted by the Russia Sanctions Amendment Regulations (No 2) 2022) does not apply to goods that are en route to New Zealand when that regulation comes into force.

Schedule 2

Schedule amended

r 15

Alfa-Bank	rr 8, 9, 10, 10A, 11, 12
Bank Otkritie	rr 8, 9, 10, 10A, 11, 12
Bank Rossiya	rr 8, 9, 10, 10A, 11, 12
Black Sea Bank for Development and Reconstruction	rr 8, 9, 10, 10A, 11, 12
Central Bank of the Russian Federation	rr 8, 9, 10, 10A, 11, 12
Credit Bank of Moscow	rr 8, 9, 10, 10A, 11, 12
Gazprombank	rr 8, 9, 10, 10A, 11, 12
GenBank	rr 8, 9, 10, 10A, 11, 12
Industrial Savings Bank	rr 8, 9, 10, 10A, 11, 12
Novikombank	rr 8, 9, 10, 10A, 11, 12
Russia Agricultural Bank	rr 8, 9, 10, 10A, 11, 12
Russian Direct Investment Fund	rr 8, 9, 10, 10A, 11, 12
Russian National Commercial Bank	rr 8, 9, 10, 10A, 11, 12
Sberbank	rr 8, 9, 10, 10A, 11, 12
SMP Bank	rr 8, 9, 10, 10A, 11, 12
Sovcombank	rr 8, 9, 10, 10A, 11, 12
Vnesheconombank	rr 8, 9, 10, 10A, 11, 12
VTB	rr 8, 9, 10, 10A, 11, 12

Schedule 3
New Schedule 3 inserted

r 18

Schedule 3
Prohibited exports

r 13

Harmonised System (HS) code

2801.30
3701.30
3701.99
3705.00
3707.90
3907.99
7002.20
7006
7410.21-7410.22
8402.11-8402.12
8402.19
8402.90
8407.10
8407.21
8407.29
8408.10
8408.20
8408.90
8409.10
8409.99
8411.11-8411.12
8411.21-8411.22
8411.81-8411.82
8411.91
8411.99
8412.10
8412.29
8412.90
8414.80
8414.90
8417.80
8419.89-8419.90
8420.10
8420.91
8420.99
8421.39

Harmonised System (HS) code

8424.89
8424.90
8442.50
8456.11
8456.12
8456.50
8456.90
8464.10-8464.20
8464.90
8466.91
8466.93
8471.30
8471.41
8471.49
8471.50-8471.80
8471.90
8473.30
8473.50
8474.39
8474.80
8479.89
8483.40
8501.71-8501.72
8501.80
8505.11
8505.19
8505.20
8505.90
8506.10
8506.30-8506.60
8506.80
8506.90
8507.10-8507.30
8507.50-8507.60
8507.80
8507.90
8514.11
8514.19
8514.20
8514.31
8514.32
8514.39
8514.40
8514.90

Harmonised System (HS) code

8517.13-8517.14

8517.61-8517.62

8517.69

8517.71

8517.79

8518.40-8518.50

8523.21

8523.29

8523.51-8523.52

8523.59

8525.50-8525.60

8525.81

8525.82

8525.83

8525.89

8526.10

8526.91

8526.92

8527.13

8527.19

8527.21

8527.29

8527.91

8527.99

8529.10

8529.90

8532.10

8532.21-8532.25

8532.29

8532.30

8532.90

8534

8540.20

8540.71

8540.81

8540.89

8541.42-8541.43

8541.49

8541.51

8541.59

8541.60

8541.90

8542.31-8542.33

8542.39

Harmonised System (HS) code

8542.90
8543.70
8543.90
8544.20
8544.70
8548
8701.10
8701.21-8701.24
8701.29
8701.95
8706
8707.90
87.08
8802.11-8802.12
8802.20-8802.40
8802.60
8806.10
8807.10-8807.30
8807.90
8901.20
8901.30
8901.90
8902.00
8903.11
8903.12
8903.19
8903.31
8903.32
8903.33
8903.92
8903.93
8903.99
8904.00
8905.10
8905.20
8905.90
8906.10
8906.90
8907.10
8907.90
8908.00
9001.10
9002.11
9002.19

Harmonised System (HS) code

9002.20
9002.90
9005.10
9005.80-9005.90
9006.30
9006.53-9006.59
9006.61-9006.69
9006.91
9006.99
9007.10
9007.91
9011.80-9011.90
9012.10-9012.90
9013.20
9013.80-9013.90
9014.10
9014.20
9014.80-9014.90
9015.80-9015.90
9022.19
9022.29
9022.90
9024.10
9024.80-9024.90
9026.10
9026.20
9026.80
9026.90
9027.20
9027.30
9027.50
9027.81
9030.20
9030.31-9030.33
9030.39
9030.40
9030.82
9030.84
9030.89
9030.90
9031.41
9031.80-9031.90
9405.42
9405.49

Rachel Hayward,
acting for Clerk of the Executive Council.

Explanatory note

This note is not part of the regulations, but is intended to indicate their general effect.

The Russia Sanctions Act 2022 and Russia Sanctions Regulations 2022 impose sanctions in response to military actions by Russia in relation to Ukraine.

Part 1 of these regulations, which commences on 20 April 2022, relates to sanctions related to sanctioned persons.

New regulation 10 continues the prohibition on a New Zealand person from dealing with an asset that is owned or controlled by a sanctioned person or where the dealing would result in a sanctioned person owning or controlling the asset or would otherwise benefit a sanctioned person.

New regulation 10A changes the prohibition on dealing with shares or other securities of a sanctioned person. It prohibits a New Zealand person from acquiring such a security or from dealing with it in any other way that would benefit a sanctioned person. However, it does not prevent a New Zealand person from holding or disposing of such a security (as long as it is not to a sanctioned person). This is to provide for the scenario where a New Zealand person currently holds securities (such as shares in a sanctioned entity). It is not intended that the sanctions would prevent them from selling those shares (if they were able to find a buyer) or from continuing to hold them (which would be the likely result if they were not able to find a buyer).

New regulation 18 exempts humanitarian organisations from the sanctions.

New regulation 19 declares a range of people to be duty holders for the purposes of section 15 of the Act. Duty holders have an obligation under that section to report suspicions about assets or services to the Commissioner of Police.

Part 2 of these regulations, which commences on 25 April 2022, imposes trade sanctions.

New regulation 13 prohibits a New Zealand person from exporting to Russia or Belarus assets in a class of assets the Harmonised System code for which is listed in *new Schedule 3*. However, this prohibition does not apply to an export for a humanitarian purpose.

New regulation 16 modifies the Tariff Act 1988 to increase the tariff on goods of Russian origin imported into New Zealand to 35% of the value of the goods. Without this modification, there would often be no, or only a small, tariff on those goods. The new tariff does not apply to goods that are en route to New Zealand when the tariff increase takes effect.

Issued under the authority of the Legislation Act 2019.

Date of notification in *Gazette*: 19 April 2022.

These regulations are administered by the Ministry of Foreign Affairs and Trade.