



NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aotearoa



17 June 2022

Minister of Foreign Affairs

For approval by

23 June 2022

Russia Sanctions – Import ban on Russian gold

BRIEFING Decision Submission

PURPOSE To seek approval to draft regulations to amend the Russia Sanctions Regulations 2022 to implement a proposed import ban on gold originating from Russia and designations on any Russian entities involved in the gold sector that are already sanctioned by our partners.

Tukunga tūtohua – Recommended referrals

Prime Minister	For concurrence by	23 June 2022
Deputy Prime Minister	For concurrence by	23 June 2022
Minister Responsible for the GCSB	For concurrence by	23 June 2022
Attorney General	For concurrence by	23 June 2022
Minister for Trade and Export Growth	For concurrence by	23 June 2022
Minister of Immigration	For concurrence by	23 June 2022
Minister of Defence	For concurrence by	23 June 2022
Minister of Commerce and Consumer Affairs	For concurrence by	23 June 2022
Minister of Customs	For concurrence by	23 June 2022

Taipitopito whakapā – Contact details

NAME	ROLE	DIVISION	WORK PHONE
Andrea Smith s9(2)(g)(ii)	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 Withdrawn |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 – Import ban on Russian gold

Pito matua – Key points

- Russia's significant gold reserves provide it a key source of funds to continue its war, and to shield itself from the impact of global sanctions measures.
- In order to close down this avenue for sanctions evasion by Russia and to complement similar measures by our partners, it is proposed to implement an import ban on gold originating from Russia and designations on any Russian entities involved in the gold sector. With the invasion now over 100 days old this measure this would also underscore our ongoing commitment to stymieing Russia's ability to fund its illegal invasion of Ukraine.
- Advice will be provided to the Minister of Foreign Affairs and the Minister for Trade and Export Growth proposing this import ban.
- Advice will also be provided to the Minister of Foreign Affairs on any Russian entities involved in the gold sector that are already sanctioned by our partners.
- Policy approval is sought to authorise the drafting of regulations to amend the Russia Sanctions Regulations to give effect to this as well ongoing continuous improvement changes.
- We propose the following indicative timeline for action:
 - 23 June: Receive approval to begin work drafting regulations;
 - 23 June: Advice and draft regulations to the Minister of Foreign Affairs and the Minister for Trade and Export Growth (for the import ban).
 - 4 July: Executive Council, Gazetting, and public notification;
 - 5 July: Entry into force of regulations.
- Note that advice next week may recommend an initial press release with a later implementation date for the import ban in order to align timing with measures announced at the G7 Summit.



Andrea Smith
for Secretary of Foreign Affairs and Trade

Russia Sanctions – Import ban on Russian gold

Tūtohu – Recommendations

It is recommended that you:

- | | | |
|---|---|----------|
| 1 | Note that officials propose the gold sector as the next area of focus for sanctions measures by Aotearoa New Zealand; | Yes / No |
| 2 | Note that officials will provide advice to the Minister of Foreign Affairs and Minister for Trade and Export Growth on banning the import of gold of Russian origin; | Yes / No |
| 3 | Note that officials will also provide advice to the Minister of Foreign Affairs proposing designation of a number of entities for her consideration; | Yes / No |
| 4 | Note that advice will be provided on amendments to the substantive text of the Russia Sanctions Regulations in order to clarify reporting obligations under the Russia Sanctions Act; | Yes / No |
| 5 | Agree to authorise the Minister of Foreign Affairs to issue drafting instructions to give effect to the above; | Yes / No |
| 6 | Note that a that a waiver of the 28-day rule is sought for the regulations (once approved) to come into force, on the basis that Russia's invasion of Ukraine constitutes an international emergency that requires a swift response; | Yes / No |
| 7 | Agree to waive the 28-day rule so that the regulations can come into force on 5 July 2022; | Yes / No |
| 8 | Authorise the submission to the Executive Council of Russia Sanctions Amendment Regulations (no. 7) 2022 on 4 July 2022. | Yes / No |

Hon Nanaia Mahuta
Minister of Foreign Affairs / Minita Take Aorere

Date: / /

Rt Hon Jacinda Ardern
Prime Minister

Date: / /

Russia Sanctions – Import ban on Russian gold

Hon Grant Robertson
Deputy Prime Minister

Date: / /

Hon Andrew Little
Minister Responsible for the GCSB

Date: / /

Hon David Parker
Attorney General

Date: / /

Hon Damien O'Connor
Minister for Trade and Export Growth

Date: / /

Hon Kris Faafoi
Minister of Immigration

Date: / /

Hon Peeni Henare
Minister of Defence

Date: / /

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Hon David Parker
Minister of Commerce and Consumer Affairs

Date: / /

Hon Meka Whaitiri
Minister of Customs

Date: /

Proactively released by the Ministry of Foreign Affairs and Trade

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Pūrongo – Report

1. Russia is the world's third largest gold producer and Russian gold reserves are estimated at 2,300 tonnes valued at US\$140bn. Twenty percent of the Russian Central Bank's reserves are held in gold. ^{s9(2)(g)(i)}
s9(2)(g)(i)
2. The New Zealand economy and investment community has limited interaction with the Russian gold industry and there have been no imports of gold from Russia in the last five years. The purchase of gold from the Russian Central Bank is currently prohibited in Aotearoa New Zealand due to our sanctions on that entity.
3. Notwithstanding New Zealand's limited exposure to Russian gold, it is proposed to implement an import ban on gold originating from Russia and designations on any Russian entities involved in the gold sector in order to close down an avenue for sanctions evasion by Russia, and to complement similar measures by our partners. With the invasion now over 100 days old this would also underscore our ongoing commitment to stymieing Russia's ability to fund its illegal invasion of Ukraine.
4. ^{s6(a)}
s6(a) Private sector actions include the suspension of Russian gold refineries by the London Bullion Market Association.
5. ^{s6(b)(i)}
6. In order to ensure that Aotearoa New Zealand remains aligned with partners and that Russia does not find an avenue for sanctions evasion here, it is recommended that measures on gold be announced as soon as possible after the G7 summit. This could take the form of an initial press release with a later implementation date for the import ban.