

## **EXPLANATORY STATEMENT**

Issued by the Authority of the Minister for Foreign Affairs

*Autonomous Sanctions Regulations 2011*

*Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015*

The *Autonomous Sanctions Regulations 2011* (the Principal Regulations) facilitate the conduct of Australia's relations with certain countries, and with specific entities or persons outside Australia, through the imposition of autonomous sanctions in relation to those countries, or targeting those entities or persons.

The purpose of the *Autonomous Sanctions Amendment (Russia, Crimea and Sevastopol) Regulation 2015* (the Amendment Regulation) and the *Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015* (the Specification) is to implement autonomous sanctions measures announced by the Prime Minister on 1 September 2014 in response to the Russian threat to the sovereignty and territorial integrity of Ukraine.

Subregulation 4(2) of the Regulations, as amended by the Amendment Regulation, provides for the Minister to specify, by legislative instrument, certain items as 'export sanctioned goods' for Russia, Crimea and Sevastopol. These goods are listed in the Specification.

Subregulations 5B(1) and 5B(3) of the Principal Regulations, as amended by the Amendment Regulation, provides for the Minister to specify, by legislative instrument, the maturity period of financial instruments, or loans or credit, that constitute a 'sanctioned commercial activity' for Russia. This period is listed in the Specification.

Subregulation 5B(6) of the Principal Regulations, as amended by the Amendment Regulation, provides for the Minister to specify, by legislative instrument, certain Russian financial institutions, and Russian entities in the defence and petroleum sectors, for the purposes of determining a 'sanctioned commercial activity' for Russia. These institutions and entities are listed in the Specification.

Regulation 5C of the Principal Regulations, as amended by the Amendment Regulation, provides for the Minister to specify, by legislative instrument, certain mineral resources in Crimea or Sevastopol for the purposes of determining a 'sanctioned commercial activity' for Crimea and Sevastopol. These resources are listed in the Specification.

The Department of Foreign Affairs and Trade (DFAT) conducted a public consultation on the exposure draft of proposed amendments to the *Autonomous Sanctions Regulations 2011* from 18 November to 9 December 2014. DFAT received four submissions in the consultation. No submission opposed the introduction of the measures in the exposure draft. DFAT adopted the majority of the comments put forward during the public consultation in the Regulation.

Details of the Regulation are set out in the Attachment.

**Statement of Compatibility with Human Rights**

Prepared in accordance with Part 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*

*Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015*

The *Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015* (the Specification) does not engage, and is therefore compatible with, the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Details of the *Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015***

**Section 1 – Name of Specification**

Section 1 provides that the name of the Specification is the *Autonomous Sanctions (Russia, Crimea and Sevastopol) Specification 2015*.

**Section 2 – Commencement**

Section 2 provides that the Specification commences on the day the Amendment Regulation commences.

**Section 3 – Specification of export sanctioned goods**

Section 3 provides that, for subregulation 4(2) of the Principal Regulations, as amended by the Amendment Regulation, Part 1 of Schedule 1 lists foods specified to be export sanctioned goods for Russia; and Part 2 of Schedule 1 lists foods to be export sanctioned goods for Crimea and Sevastopol.

**Section 4 – Effective date for specification of an export sanctioned good**

Section 4 outlines the date on which the specification of an export sanctioned good in Schedule 1 takes place.

**Section 5 – Sanctioned commercial activity - specifications**

Section 5(1) specifies the maturity period of financial instruments, or loans or credit, that constitute a ‘sanctioned commercial activity’ for Russia for the purposes of subregulations 5B(1) and 5B(3) of the Principal Regulations, as amended by the Amendment Regulation.

Section 5(2) specifies Russian financial institutions for the purposes of determining a ‘sanctioned commercial activity’ Russia in subregulation 5B(6)(a) of the Principal Regulations, as amended by the Amendment Regulation.

Section 5(3) specifies Russian entities in the defence sector for the purposes of determining a ‘sanctioned commercial activity’ Russia in subregulation 5B(6)(b) of the Principal Regulations, as amended by the Amendment Regulation.

Section 5(4) specifies Russian entities in the petroleum sector for the purposes of determining a ‘sanctioned commercial activity’ Russia in subregulation 5B(6)(c) of the Principal Regulations, as amended by the Amendment Regulation.

Section 5(5) provides the list of mineral resources for the purposes of determining a ‘sanctioned commercial activity’ for Crimea and Sevastopol in regulation 5C of the Principal Regulations, as amended by the Amendment Regulation, is listed at Part 1 of Schedule 2.

## Schedule 1 – List of goods

### **Part 1 – Russia**

Part 1 of Schedule 1 lists the goods that are specified as export sanctioned goods for Russia and the applicable Australian Harmonized Export Commodity Classification (AHECC) code.

### **Part 2 – Crimea and Sevastopol**

Part 2 of Schedule 1 lists the goods that are specified as export sanctioned goods for Crimea and Sevastopol and the applicable Australian Harmonized Export Commodity Classification (AHECC) code.

## Schedule 2 – Sanctioned commercial activity - specifications

### **Part 1 – Crimea and Sevastopol**

Part 1 of Schedule 2 lists the mineral resources that relate to a ‘sanctioned commercial activity’ for Crimea and Sevastopol for the purposes of regulation 5C of the Principal Regulations, as amended by the Amendment Regulation.