

Explanatory Statement

Issued by the Authority of the Minister for Foreign Affairs

Autonomous Sanctions Regulations 2011

Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)

Section 28 of the *Autonomous Sanctions Act 2011* (the Act) provides that the Governor-General may make regulations prescribing matters required or permitted by the Act to be prescribed, or necessary or convenient to be prescribed for carrying out or giving effect to the Act.

Autonomous sanctions are measures not involving the use of armed force which the Australian Government imposes as a matter of foreign policy— as opposed to an international obligation under a United Nations Security Council decision—in response to situations of international concern. Such situations include threats to a country’s sovereignty and territorial integrity, as occurred in 2014 when Russia annexed Crimea and Sevastopol from Ukraine in breach of international law.

The *Autonomous Sanctions Regulations 2011* (the Regulations) make provision for, amongst other things, the proscription of persons or entities for autonomous sanctions, including in relation to the threat to the territorial integrity and sovereignty of Ukraine. Regulation 6 enables the Minister for Foreign Affairs (the Minister) to designate a person or entity for targeted financial sanctions and/or declare a person for the purposes of a travel ban, if the Minister is satisfied that the person or entity is responsible for, or complicit in, the threat to the territorial integrity and sovereignty of Ukraine (item 9 of the table at subregulation 6(1)).

The purpose of a designation is to subject the designated person or entity to targeted financial sanctions. There are two types of targeted financial sanctions under the Regulations:

- the designated person or entity becomes the object of the prohibition in regulation 14 (which prohibits directly or indirectly making an asset available to, or for the benefit of, a designated person or entity, other than as authorised by a permit granted under regulation 18); and/or
- an asset owned or controlled by a designated person or entity is a “controlled asset”, subject to the prohibition in regulation 15 (which requires a person who holds a controlled asset to freeze that asset, by prohibiting that person from either using or dealing with that asset, or allowing it to be used or dealt with, or facilitating the use of or dealing with it, other than as authorised by a permit granted under regulation 18).

The purpose of a declaration is to prevent a person from travelling to, entering or remaining in Australia.

Designated and declared persons, and designated entities, in respect of Ukraine are listed in the *Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) List 2014* (the 2014 List).

The *Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)* (the Declaration) gives effect to a review of the designations and declarations of 51 persons and the designation of 11 entities that were either made or continued in effect by the Minister in June 2017. Under subregulation 9(1) of the Regulations, these designations and declarations cease to have effect three years after the date on which they took effect or were renewed, unless the Minister declares they are to continue pursuant to subregulation 9(3).

The Declaration continues under subregulation 9(3) of the Regulations the designations and declarations made in 2017, other than in respect of two persons who are deceased. The Minister made the Declaration being satisfied that each of the persons and entities listed in Schedules 1 and 2 of the Declaration meets the criteria set out in item 9 of subregulation 6(1) and is a person or entity responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine.

Details of the Declaration which amends the 2014 List are set out at **Attachment A**.

The legal framework for the imposition of autonomous sanctions by Australia, of which the Regulations and the Declaration are part, was the subject of extensive consultation with governmental and non-governmental stakeholders. The Department of Foreign Affairs and Trade (DFAT) undertook public consultation in relation to the designations and declarations contained in the Declaration through its website, seeking submissions from interested parties. Persons and entities who subscribe to DFAT's sanctions email updates list were also notified of the consultation process. The public consultation process ran for 4 weeks and no submissions were received. The consultation period closed on 26 April 2020.

The Office of Best Practice Regulation advised that a regulation impact statement is not required (OBPR Reference: 26252).

Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)

Section 1

The title of the instrument is the *Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)*.

Section 2

The instrument commences the day after it is registered.

Section 3

The instrument is made under subregulations 6(1), 9(3) and 10(1) of the *Autonomous Sanctions Regulations 2011*.

Section 4

Section 4 contains the Minister's declaration under subregulation 9(3) of the Regulations that the designations and declarations of the following persons listed in Schedule 1 of the Declaration, and who appear in the 2014 List, continue to have effect:

- Sergey Yur'yevich GLAZYEV
- Andrei Aleksandrovich KLISHAS
- Valentina Ivanovna MATVIYENKO
- Yelena Borisovna MIZULINA
- Dmitry Olegovich ROGOZIN
- Leonid Eduardovich SLUTSKIY
- Vladislav Yur'yevich SURKOV
- Aleksandr Viktorovich VITKO
- Serhiy Valeriyovich AKSYONOV
- Volodomyr Andriyovych KONSTANTYNOV
- Viktor Volodymyrovich MEDVEDCHUK
- Viktor Fedorovych YANUKOVYCH
- Andrei Alexandrovich FURSENKO
- Sergei Borisovich IVANOV
- Yuri Valentinovich KOVALCHUK
- Arkady Romanovich ROTENBERG
- Boris Romanovich ROTENBERG
- Gennady Nikolayevich TIMCHENKO
- Vyacheslav Viktorovich VOLODIN
- Vladimir Ivanovich YAKUNIN
- Oleg Yevgenyevich BELAVANTSEV
- Vladimir Michailovich DZHABAROV
- Alexei Alexeyevich GROMOV
- Olga Fedorovna KOVITIDI
- Dmitry Nikolayevich KOZAK
- Vladimir Igorevich KOZHIN
- Sergei Mikhailovich MIRONOV
- Sergey Yevgenyevich NARYSHKIN
- Viktor Alekseevic OZEROV

- Aleksei PUSHKOV
- Nikolai Ivanovich RYZHKOV
- Oleg Genrikhovich SAVELYEV
- Aleksandr Borisovich TOTOONOV
- Sergei Vladimirovich ZHELEZNYAK
- Aleksei Mikhailovich CHALIY
- Igor Vsevolodovich GIRKIN
- Mikhail Grigorevich MALYSHEV
- Vyacheslav Vladimirovich PONOMARYOV
- Denis Vladimirovich PUSHILIN
- Rustam Ilmirovich TEMIRGALIEV
- Sergey Pavlovych TSEKOV
- Pyotr Anatoliyovych ZIMA
- Aleksandr Viktorovich GALKIN
- Anatoliy Alekseevich SIDOROV
- Deniz Valentinovich BEREZOVSKIY
- Vladimir Vasilyevich USTINOV
- Dmitry Vladimirovich OVSYANNIKOV
- Colonel-General Alexander DVORNIKOV
- Colonel-General Andrei KARTAPOLOV

The designations and declarations are continued on the basis that each person meets the criteria in item 9 of the table in subregulation 6(1) of the Regulations; that is, they are a person that the Minister is satisfied is responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine.

Section 5

Section 5 contains the Minister's declaration under subregulation 9(3) of the Regulations that the designation of the following entities listed in Schedule 2 of the Declaration, and who appear in the 2014 List, continue to have effect:

- Bank Rossiya
- Invest Capital Bank
- SMP Bank
- Stroygazmontazh
- Aquanika
- Avia Group LLC
- Avia Group Nord LLC
- Stroytransgaz Group
- The Volga Group
- Transoil
- Chernomorneftegaz

The designations are continued on the basis that each entity meets the criteria in item 9 of the table in subregulation 6(1) of the Regulations; that is, they are an entity that the Minister is satisfied is responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine.

Section 6

Section 6 contains the Minister's revocation of the designations and declarations of Evgeni Viktorovich Bushmin and Valery Kirillovich Medvedev, who are deceased.

Section 7

Section 7 provides that Schedule 4 of the Declaration amends the 2014 List.

Schedule 1

Schedule 1 lists the persons declared by the Minister for the continuation of targeted financial sanctions and travel bans as per section 4 of the Declaration.

Schedule 2

Schedule 2 lists the entities declared by the Minister for the continuation of targeted financial sanctions as per section 5 of the Declaration.

Schedule 3

Schedule 3 lists the persons whose designations and declarations were revoked by the Minister as per section 6 of the Declaration.

Schedule 4

Schedule 4 amends the 2014 List to update the identifying information of the designations and declarations that are continued in effect by this instrument. It also removes the listings of persons whose designations and declarations were revoked by the Minister as per section 6 of the Declaration from the 2014 List.

Items 1, 3, 5 and 6 in Schedule 4 amend the entries of the persons listed in following items in Part 1 of Schedule 1 of the 2014 List to:

- include a place of birth and an alias for the persons mentioned in items 1-21, 23-38, 40-47 and 108-111;
- include additional information about the persons mentioned in items 1, 3-5, 7-11, 15-17, 19-21, 24-34, 36-38, 40-43, 47, 109-111.

Items 2 and 4 in Schedule 4 remove from Part 1 of Schedule 1 of the 2014 List the listings of Evgeni Viktorovich Bushmin and Valery Kirillovich Medvedev (deceased).

Item 7 in Schedule 4 amends the entries of the entities listed in following items in Part 2 of Schedule 1 of the 2014 List to:

- include an alias for the entities mentioned in items 1-11;
- include additional company contact information for the entities mentioned in items 1-7, 9-11.

Statement of Compatibility with Human Rights

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

Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)

The *Autonomous Sanctions (Designated Persons and Entities and Declared Persons – Ukraine) Continuing Effect Declaration 2020 (No 1)* (the Declaration) is 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*.

Modern sanctions regimes impose highly targeted measures in response to situations of international concern. This includes threats to a country's sovereignty and territorial integrity. Autonomous sanctions pursue legitimate objectives, and have appropriate safeguards in place to ensure that that limitation on human rights engaged by the imposition of sanctions is justified and a proportionate response to the situation of international concern. The Government keeps its sanctions regimes under regular review, including in relation to whether more effective, less rights-restrictive means are available to achieve similar foreign policy objectives.

The Declaration continues, under subregulation 9(3) of the *Autonomous Sanctions Regulations 2011* (the Regulations), designations and declarations made in relation to the Ukraine in 2017 (other than in respect of two persons who are deceased). The Minister made the Declaration being satisfied that each of the persons and entities listed in Schedules 1 and 2 of the Declaration meets the current criteria set out in item 9 of subregulation 6(1) and is a person or entity responsible for, or complicit in, the threat to the sovereignty and territorial integrity of Ukraine.

The human rights compatibility of the Declaration is addressed by reference to each of the human rights engaged below.

Right to privacy

Right

Article 17 of the International Covenant on Civil and Political Rights (the ICCPR) prohibits unlawful or arbitrary interferences with a person's privacy, family, home and correspondence.

The use of the term 'arbitrary' in the ICCPR means that any interferences with privacy must be in accordance with the provisions, aims and objectives of the ICCPR and should be reasonable in the individual circumstances. Arbitrariness connotes elements of injustice, unpredictability, unreasonableness, capriciousness and 'unproportionality'.¹

¹ Manfred Nowak, *United Nations Covenant on Civil and Political Rights: CCPR Commentary* (NP Engel, 1993) 178.

Permissible limitations

The Declaration is not an unlawful interference with an individual's right to privacy. Section 10 of the *Autonomous Sanctions Act 2011* (the Act) permits regulations relating to, among other things: 'proscription of persons or entities (for specified purposes or more generally)'; and 'restriction or prevention of uses of, dealings with, and making available of, assets'. The designations and declarations contained in the Declaration are continued pursuant to subregulation 9(3) of the Regulations, which provides that the Minister may, by legislative instrument, designate and/or declare a person for targeted financial sanctions and/or travel bans.

The measures contained in the Declaration are not an arbitrary interference with an individual's right to privacy. An interference with privacy will not be arbitrary where it is reasonable, necessary and proportionate in the individual circumstances.

In designating an individual under the Regulations for targeted financial sanctions and/or travel bans, the Minister uses predictable, publicly available criteria. These criteria are designed to capture only those persons the Minister is satisfied are involved in situations of international concern, as set out in regulation 6 of the Regulations.

Targeted financial sanctions and travel bans under the autonomous sanctions regime are imposed in response to situations of international concern, including where there are, or have been, egregious human rights abuses, weapons proliferation (in defiance of UN Security Council resolutions), indictment in international criminal tribunals, undemocratic systems of government, and threats to the sovereignty and territorial integrity of a State. Given the seriousness of the threats to the sovereignty and territorial integrity of Ukraine, the Government considers that targeted financial sanctions and travel bans are the least rights-restrictive way to achieve its legitimate foreign policy objective of signalling Australia's concerns about the situation in Ukraine.

Accordingly, targeted financial sanctions and travel bans imposed by the Minister through the continuation of the designation of specific individuals under the Regulations are reasonable, necessary and proportionate to the individual circumstances the sanctions are seeking to address. Therefore, any interference with the right to privacy created by the operation of the Declaration is not arbitrary or unlawful and, therefore, is consistent with Australia's obligations under Article 17 of the ICCPR.

Right to respect for the family

Right

The right to respect for the family is protected by Articles 17 and 23 of the ICCPR. It covers, among other things, the separation of family members under migration laws, and arbitrary or unlawful interferences with the family.

Limitations on the right to respect for the family under Articles 17 and 23 of the ICCPR will not violate those articles if the measures in question are lawful and

non-arbitrary. An interference with respect for the family will be consistent with the ICCPR where it is necessary and proportionate, in accordance with the provisions, aims and objectives of the ICCPR, and is reasonable in the individual circumstances.

Permissible limitations

As set out above, the autonomous sanctions regime is authorised by domestic law and is not unlawful.

As the listing criteria in regulation 6 are drafted by reference to specific foreign countries, it is highly unlikely, as a practical matter, that a person declared for a travel ban will hold an Australian visa, usually reside in Australia and have immediate family also in Australia.

The Department of Foreign Affairs and Trade (DFAT) consults relevant agencies as appropriate in advance of a designation and declaration of a person with known connections to Australia to determine the possible impacts of the designation and declaration on any family members in Australia.

To the extent that the travel bans imposed pursuant to the Declaration engage and limit the right to respect for the family in a particular case, the Regulations allow the Minister to waive the operation of a travel ban on the grounds that it would be either: (a) in the national interest; or (b) on humanitarian grounds. This provides a mechanism to address circumstances in which issues such as the possible separation of family members in Australia are involved. In addition, this decision may be judicially reviewed. Finally, were such a separation to take place, for the reasons outlined in relation to Article 17 above, such a separation would be justified in the circumstances.

Accordingly, any interference with the right to respect for the family created by the operation of the Declaration is not unlawful or arbitrary and, therefore, consistent with Australia's obligations under Articles 17 and 23 of the ICCPR.

Right to an adequate standard of living

Right

The right to an adequate standard of living is contained in Article 11(1) of the International Covenant on Economic, Social and Cultural Rights (ICESCR) and requires States to ensure the availability and accessibility of the resources that are essential to the realisation of the right: namely, food, water, and housing.

Article 4 of the ICESCR provides that this right may be subject to such limitations 'as are determined by law only in so far as this may be compatible with the nature of these rights and solely for the purpose of promoting the general welfare in a democratic society'. To be consistent with the ICESCR, limitations must be proportionate.

Permissible limitations

Any limitation on the enjoyment of Article 11(1), to the extent that it occurs, is justified. The Regulations allow for any adverse impacts on family members as a consequence of targeted financial sanctions to be mitigated. The Regulations also provide for the payment of basic expenses (among others) in certain circumstances. The objective of ‘basic expenses exemption’ in regulation 20 is, in part, to enable the Australian Government to administer the sanctions regime in a manner compatible with relevant human rights standards.

The permit process is a flexible and effective safeguard on any limitation to the enjoyment of Article 11(1m).

Right to freedom of movement

Right

Article 12 of the ICCPR protects the right to freedom of movement, which includes a right to leave Australia, as well as the right to enter, remain, or return to one’s ‘own country’.

The right to freedom of movement may be restricted under domestic law on any of the grounds in Article 12(3) of the ICCPR, namely national security, public order, public health or morals or the rights and freedoms of others. Any limitation on the enjoyment of the right also needs to be reasonable, necessary and proportionate.

Permissible limitations

As the listing criteria in regulation 6 are drafted by reference to specific foreign countries, it is highly unlikely, as a practical matter, that a person declared for a travel ban would be an Australian citizen, or have spent such lengths of time in Australia, such that Australia could be considered their ‘own country’. Furthermore, travel bans – which are a power to refuse a visa and to cancel a visa – do not apply to Australian citizens.

To the extent that Article 12(4) is engaged in an individual case, such that a person listed in the Declaration is prevented from entering Australia as their ‘own country’, the imposition of the travel ban would be justified. As set out above in relation to Article 17 of the ICCPR, travel bans are a reasonable and proportionate means of achieving the legitimate objectives of Australia’s autonomous sanctions regime. Travel bans are reasonable because they are only imposed on persons who the Minister is satisfied are responsible for giving rise to situations of international concern. Thus, preventing a person who is known to be responsible for or complicit in the threat to the sovereignty or territorial integrity of Ukraine, from travelling to, entering or remaining in Australia through operation of the Declaration, is a reasonable means to achieve the legitimate foreign policy objective of signalling Australia’s concerns about the illegal annexation by the Russian Federation of Crimea and Sevastopol. Australia’s practice in this respect is consistent with that of other countries such as the United States, the European Union, and the United Kingdom.

The Minister may also waive the operation of a declaration that was made for the purpose of preventing a person from travelling to, entering or remaining in Australia, on the grounds that it would be in the national interest, or on humanitarian grounds. This decision is subject to natural justice requirements, and may be judicially reviewed.

Non refoulement

The obligations relating to the prohibition on torture and other cruel, inhuman or degrading treatment or punishment under Article 3 of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (the CAT) and Article 7 of the ICCPR, as well as Article 6 of the ICCPR on the right to life and prohibition on arbitrary deprivation of life, are engaged by the travel restrictions in the Declaration. There is no permissible derogation from these implied or express non-refoulement obligations.

To the extent that the travel bans imposed pursuant to the Declaration engage Australia's non-refoulement obligations, the Regulations allow the Minister to waive the operation of a travel ban on the grounds that it would be either: (a) in the national interest; or (b) on humanitarian grounds. A travel ban may lead to the cancellation of a visa held by a non-citizen lawfully in Australia, which can lead to removal under section 198 of the *Migration Act 1958*. Australia will continue to meet its non-refoulement obligations through mechanisms prior to the person becoming available for removal under the *Migration Act 1958*, including through the protection visa application process, and through the use of the Minister for Home Affairs' personal powers in the *Migration Act 1958*.

The Declaration is consistent with Australia's international non-refoulement obligations as, together with the Foreign Minister's powers to revoke a Declaration or waive its operation in an individual case, non-refoulement obligations are considered prior to a person becoming available for removal under the *Migration Act 1958*. A person must not be removed from Australia to another country if there is a real risk that the person may be subjected to arbitrary deprivation of life, the death penalty, torture, cruel or inhuman treatment or punishment, or degrading treatment or punishment.

Right to equality and non-discrimination

Right

The right to equality and non-discrimination under Article 26 of the ICCPR provides that everyone is entitled to enjoy their rights without discrimination of any kind, and that people are equal before the law and are entitled without discrimination to the equal and non-discriminatory protection of the law.

Differential treatment (including the differential effect of a measure that is neutral on its face) will not constitute unlawful discrimination if the differential treatment is based on reasonable and objective criteria, serves a legitimate objective, and is a proportionate means of achieving that objective.

Permissible limitations

Any differential treatment of people as a consequence of the application of the Declaration does not amount to discrimination pursuant to Article 26 of the ICCPR.

The criteria set out in regulation 6 of the Regulations are reasonable and objective. They are reasonable insofar as they list only those States and activities which the Government has specifically determined give rise to situations of international concern. They are objective, as they provide a clear, consistent and objectively-verifiable reference point by which the Minister is able to make a designation or declaration. The Regulations serve a legitimate objective, as discussed above.

To the extent that the measures result in a differential impact on persons from particular countries, this is both proportionate and justifiable. Country-specific sanctions will inevitably impact persons from certain countries more than others, as they are used as a tool of foreign diplomacy to facilitate the conduct of Australia's international relations with particular countries. In this case, the measures will predominately impact persons of Russian and Ukrainian national origin or nationality due to the location of the situation of international concern to which the measures respond.

Denying access to international travel and the international financial system to certain designated individuals is a highly targeted, justified and less rights-restrictive means of achieving the aims of the Regulations, including in a context where other conventional mechanisms are unavailable. While these measures may impact individuals of certain nationalities and national origins more than others, there is no information to support the view that affected groups are vulnerable. Rather, the individuals designated in the Declaration are persons the Minister is satisfied are involved in activities that give rise to situations of international concern. Further, there are several safeguards, such as the availability of judicial review and regular review processes in place, to ensure that any limitation is proportionate to the objective being sought.