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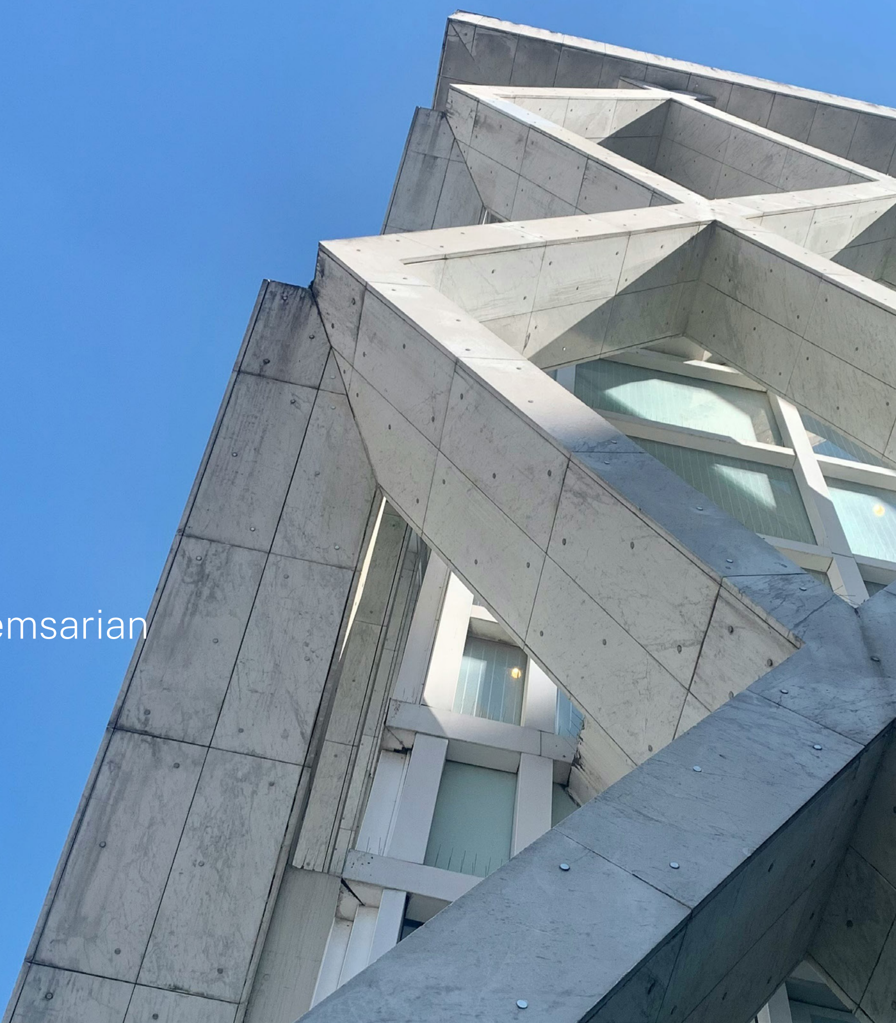


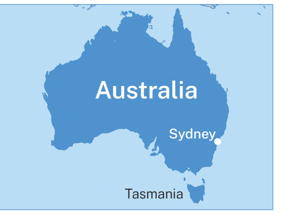
Australia

Law and Practice
Dennis Miralis, Jack Dennis, and Phillip Salakas

Trends and Developments
Dennis Miralis, Jack Dennis, Phillip Salakas and Jessica Semsarian

Nyman Gibson Miralis

AUSTRALIA



Law and Practice

Contributed by:
Dennis Miralis, Jack Dennis and Phillip Salakas
Nyman Gibson Miralis

Contents

Nyman Gibson Miralis is an international, award-winning criminal defence law firm based in Sydney, Australia. For more than 55 years, the firm has been leading the market in all aspects of general, complex and international crime and is widely recognised for its involvement in some of Australia's most significant criminal cases. Nyman Gibson Miralis' international law practice focuses on white-collar and corporate crime, transnational financial crime, international sanctions, bribery and corruption, international money laundering, cybercrime, international asset freezing/forfeiture, extradition and mutual assistance law. The team strategically advises and appears in matters where cross-border investigations and prosecutions are being conducted in parallel jurisdictions, involving some of the largest law enforcement agencies and financial regulators worldwide. Working with the firm's international partners, Nyman Gibson Miralis has advised and acted in investigations involving the USA, Canada, the UK, the EU, China, Hong Kong, Singapore, Taiwan, Macao, Vietnam, Cambodia, Russia, Mexico, South Korea, the British Virgin Islands, New Zealand and South Africa.

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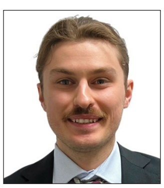

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1. Trends and Overview

1.1 Sanctions Market

During the past 12 months, Australia's focus on sanctions has been primarily on Russia, in response to the conflict with Ukraine and against North Korea, to target cybercrime and missile development.

The Australian Government is utilising many aspects of the sanctions law, including introducing new frameworks, general permits and adjusting the Oil Price Cap (OPC). However, notable aspects remain underutilised, including the Magnitsky-style thematic cyber sanctions framework.

The primary regulator, the Australian Sanctions Office (ASO), has maintained a co-operative and educative regulatory approach. Throughout 2026, the ASO has released advisory and guidance notes on a variety of topics and conducted outreach sessions.

There is an increasingly strong focus on enforcement and compliance, suggesting that the ASO may soon switch into a more proactive role. Enforcement action will likely be in conjunction with other Australian agencies, including the Australian Federal Police (AFP), the Australian Border Force (ABF) and the Australian Transaction Reports and Analysis Centre (AUSTRAC).

This may be supported by at least one of the ASO's sanctions matters being referred to the AFP; however, the outcome of this case and whether it is an isolated enforcement action remains to be seen.

1.2 Key Trends

Statistics on the Use of Sanctions

As of July 2026, approximately 3,838 primary designations were active under Australian sanctions regimes according to the ASO Consolidated List.

Comparisons between prior years have been impeded by certain changes to the Consolidated List, renewal of 336 designated entities under the UNSC sanctions related to the 1267 (ISIL (Da'esh) and Al-Qaida) Committee and the introduction of a separate sanctions framework for Vessels.

Nevertheless, observations can be made from a close examination of the Consolidated List, as follows.

- Sanctions have been imposed against 2,537 individuals, 1,039 entities and 262 vessels.
- The sheer number of active sanctions has steadily increased year-on-year, with there being 3,213 designations in July 2025 and 3,052 in July 2024. Approximately 25% of the active sanctions were imposed within the first six months of 2026; however, this figure may be misleading due to the renewal of sanctions and the transposition of others between frameworks.
- Of the 262 vessels that have been designated, all but one are Russian and the remainder is Iranian.
- The focus of Australia's sanctions regime continues to be Russia, with 25.3% of active sanctions imposed under the Russian sanctions framework and the overwhelming majority of sanctions under the vessels sanctions framework (making up 6.8%

of active sanctions) directed towards Russian vessels. This means over 32% of active sanctions are directed towards Russia, up from 20.1% as of July 2025.

- Relatedly, 21.9% of sanctions are imposed under the Ukraine country framework, meaning the Russia-Ukraine conflict is the likely context from which Australian sanctions are arising (53.9%). This is notable from July 2025 (46.3% active sanctions).
- There continues to be a steady but minimal use of Magnitsky-style sanction instruments since the introduction of the Autonomous Sanctions Amendment (Magnitsky-style and Other Thematic Sanctions) Regulations 2021 (Cth) (the "Magnitsky-style Regulations") in December 2021, with Australia incrementally using these powers more throughout 2024, with five of the nine instruments being issued between November 2023 and June 2024. While there is a constant (but slow) use of the cyber and human rights frameworks, there continues to be a notable drop-off in any usage in relation to corruption, with the last set of still-in-force corruption sanctions dating back to 2022.

Statistics on Permits

Statistics on reports, contraventions, enforcement actions and permits remain undisclosed to the general public. In July 2021, the Department of Foreign Affairs and Trade (DFAT) released a "Sanctions Regulator Performance – Self-Assessment Report", disclosing that in 2020–21, 55 permit applications were finalised (in which the ASO assessed that a sanctions permit was required).

On 5 December 2025, DFAT issued a new permit to accompany the launch of the new Afghanistan sanctions framework. This permit authorises the provision of humanitarian assistance and other activities to support basic human needs in Afghanistan.

Co-Ordinated Sanctions

Australia continues to impose sanctions in co-ordination with friendly countries, including the UK, the USA and Canada. For example, Australia has consistently acted in conjunction with other countries in the imposition of Magnitsky-style human rights sanctions against Israeli individuals and entities for settler violence against Palestinians in the West Bank as recent as June 2026.

Court Proceedings

No cases in terms of contractual law or other administrative decisions were rendered.

However, 2026 did feature an important case, an appeal decision by the High Court of Australia in Deripaska v Minister for Foreign Affairs, important to administrative law. In short, the High Court held that Australian sanctions law could not prohibit a designated person from engaging a lawyer to assist in challenging the designation or the associated law. The precise parameters of this implied exclusion will need to be considered on a case-by-case basis, but it does provide an important pathway for those designated to receive legal advice and protection for the lawyers who provide it. See 2.3.2 Provision of Legal Services and 3.1 Significant Court Decisions or Legal Developments for further details.

Enforcement Action

There has been only one charge during this 2025 to 2026 period. This reflects the broad trend in Australia not to prosecute sanctions violations. This case concerned an individual who is a director of a remittance company alleged to have contravened Australian sanctions by transferring funds to an Iranian bank (See 2.2.4 Criminal Enforcement Action). It is unclear if this case is still ongoing.

This trend has been ongoing for some time. As of 15 November 2024, it was confirmed that the AFP had four active sanctions investigations and that DFAT had 21 sanctions compliance matters under review, yet no cases were reported in the CDPP 2025 Annual Report related to the sanctions legislation. No further reporting on investigations or other enforcement action has occurred to date. In fact, there is a distinct lack of charges reported by the AFP or the Commonwealth Department of Public Prosecutions.

However, this charge in 2025 may signal a broader escalation in regulatory and sanctions enforcement action. Notably arising from this case, there has been an enforcement effort targeting remittance services with the ASO issuing "a number of" warning letters to remittance companies in Australia. Warning letters are typically the first port of call for the ASO for suspected or low-risk breaches, suggesting the ASO may have already issued section 19 notices and that this charge arose from a broader review of this industry.

1.3 Key Industries

Sanctions can be imposed on individuals, regardless of industry, which consequently affects how other individuals and entities interact with those designated. Financial industries are particularly affected by sanctions, given the requirement to freeze the assets of designated individuals. As noted before, it appears that the AFP and ASO are focusing particularly on remittance services, sending warning letters to multiple companies.

Australian sanctions can be targeted towards specific industries. By way of example:

- the sanctions concerning Syria have an express focus on the oil and gas industry or the petrochemical industry; and
- the sanctions concerning the Democratic People's Republic of Korea ("North Korea") expressly sanction any service that assists with or is in relation to an "extractive or related industry".

Court decisions in 2024 have shone a spotlight on the application of Australian sanctions on the resources (coal, alumina and bauxite) and transport industries. The ramifications may be felt across many global industries with complex, intersecting operations.

Finally, with the new amendments to the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) and anti-money laundering and counter-terrorism financing (AML/CTF) rules, governance obligations related to sanctions are expanding to more industries, including the real estate and legal professions.

1.4 Overview

1.4.1 Types of Sanctions

In Australia, there are two sets of sanction regimes: the United Nations Security Council (UNSC) sanctions regimes and the autonomous sanctions regimes.

Sanctions Under the COTUNA Sanctions Regimes

The UNSC sanctions regime comprises sanctions passed by the UNSC. The primary instrument of its implementation is the Charter of the United Nations Act 1945 (Cth) (COTUNA).

Sanctions Under the Autonomous Sanctions Regimes

The Australian autonomous sanctions regimes comprise sanctions imposed by the Australian government that target specific countries or regions and, since the enactment of the Autonomous Sanctions Amendment (Magnitsky-style and Other Thematic Sanctions) Act 2021 (Cth), address particular issues (referred to as "themes") such as threats to international peace and security, malicious cyber-activity, serious violations or serious abuses of human rights or activities that undermine good governance or the rule of law.

This second set of regimes is primarily implemented by the Autonomous Sanctions Act 2011 (Cth) (the "Sanctions Act") and the Autonomous Sanctions Regulations 2011 (Cth) (the "Sanctions Regulations").

Under Section 10 of the Sanctions Act, the regulations may make provisions relating to several prohibitions, including:

- proscription of persons or entities;
- restriction or prevention of uses of, dealings with and the making available of assets;
- restriction or prevention of the supply, sale or transfer of goods or services; and
- restriction or prevention of the procurement of goods or services.

In other words, the main types of sanctions employed by Australia are:

- designation of specific individuals or entities as subject to financial sanctions (eg, prohibiting making assets available to that person, as well as asset freezes);
- travel bans on certain persons, preventing them from entering or transiting through Australia;
- restrictions on trade in or procurement of goods and services (eg, prohibiting the export or the import of specific goods or services);

- restrictions on engaging in commercial activities or dealing with assets (eg, purchasing shares, granting IP rights or establishing a joint venture); and
- designation of specific vessels as sanctioned vessels, including preventing them from entering Australia.

Simultaneous Sanctions

Sanctions can be passed under both regimes, such as the current (as of June 2026) regimes against North Korea, Iran, Libya, Sudan, South Sudan, Afghanistan and Syria.

1.4.2 Scope of Sanctions

Who must comply with the sanctions depends on the specific regulations governing the sanctions regime. Generally speaking, sanctions regulations have extraterritorial effect. Therefore, the sanctions law applies to activities that occur:

- in Australia;
- on board an Australian aircraft or an Australian ship; or
- by Australian citizens living or bodies corporate registered/incorporated by or under Australian law (whether in Australia, overseas or on board a domestic or foreign vessel or aircraft).

1.4.3 Domestic and/or Supranational Measures

Both sets of sanctions are imposed at the (domestic) federal level in Australia. Although the COTUNA sanctions regimes apply only to sanctions passed by the UNSC, under a dualist system the Australian government must still pass domestic legislation for each sanction to give it effect under Australian law.

2. Overview of Regulatory Field

2.1 Primary Regulators

DFAT is broadly responsible for administering and enforcing the sanctions. To this end, DFAT established the ASO on 1 January 2022 to sit within DFAT's Regulatory Legal Division in the Security, Legal and Consular Group. The ASO is the Australian government's sanctions regulator.

As the regulator, the ASO:

- provides guidance on Australian sanctions law to regulated entities and to the public, government and relevant parties;
- processes applications for and issues, sanctions permits (see **2.3 Licensing**);
- works with the public to promote compliance and help prevent breaches;
- works in partnership with other government agencies to monitor compliance; and
- supports corrective and enforcement action by law enforcement agencies in cases of suspected non-compliance (see **2.2 Enforcement**).

2.2 Enforcement

2.2.1 Enforcement Responsibilities

The ASO is the primary agency responsible for the enforcement of Australian sanctions law. It does so by working with a network of Australian partners, including the Department of Defence (DOD), the Australian Transaction Reports and Analysis Centre (AUSTRAC), the Department of Home Affairs, the Australian Border Force (ABF) and the Australian Federal Police (AFP), to promote compliance with Australian sanctions law and respond to possible breaches.

Criminal prosecutions for sanctions contraventions are undertaken by the Commonwealth Director of Public Prosecutions (CDPP).

There is no civil liability or enforcement for contraventions of sanctions.

2.2.2 Breaching Sanctions

It is a criminal offence to breach sanctions law or a condition of authorisation under sanctions law (see 2.3 Licensing). The penalty differs depending on whether an individual or a body corporate committed the contravention.

For individuals, the penalty can be a maximum term of imprisonment of ten years, a fine or both. The fine is calculated as 2,500 penalty units or – where transactions are involved – the greater of three times the value of the transaction or 2,500 penalty units. As of July 2026, 2,500 penalty units equalled AUD910,000.

For body corporates, the penalty can be a fine of 10,000 penalty units or – where transactions are involved – the greater of three times the value of the transaction or 10,000 penalty units. As at July 2026, 10,000 penalty units equalled AUD3.64 million.

2.2.3 Civil Enforcement Action
There is no civil liability or enforcement for sanction contraventions.

2.2.4 Criminal Enforcement Action
In October 2025, a man was arrested and charged by the AFP following a referral from the ASO for allegedly remitting approximately AUD650,000 over a 12-month period to sanctioned Iranian banks in contravention of Australian sanction laws. This case was scheduled to be initially heard by the local court in October 2025. No further media coverage or reporting has occurred, so it is not known whether this case is still ongoing.

The only other publicly known criminal enforcement action in Australia was brought against Chan Han Choi, which concluded in 2021. Mr Choi pleaded guilty to contravening both UNSC sanctions and Australian sanctions laws after he was accused of attempting to sell arms and related material to North Korea. He was sentenced to a period of 3 years and 6 months imprisonment.

2.2.5 Mitigation
The ASO adopts a co-operative approach to administering and enforcing sanctions law, working with the public to prevent and address breaches of Australian sanctions law. Certain actions are beneficial to undertake to minimise risk and potential penalties as a result of a breach, including:

- undertaking due diligence checks for Australian sanctions law and the business and organisational structure of the ultimate customer (or end user) – to this end, the ASO manages the ASO Consolidated List, which sets out the persons and entities who are sanctioned (this is a good, but not definitive, reference point);
- adopting appropriate compliance measures and governance policies;
- obtaining professional legal advice before engaging in business activities and throughout; and
- after obtaining legal advice or otherwise with the assistance of a lawyer, engaging with the ASO when there are outstanding queries relating to business or activities.

The above-mentioned guidance is particularly pertinent for corporate entities. The criminal offence for breaching a sanctions law is strictly liable; however, there is a defence if the body corporate "took reasonable precautions – and exercised due diligence – to avoid contravening" the sanctions law. What this means will depend on the context of each person and company, but the foregoing is a good starting point.

2.2.6 Strict Liability
For body corporates, breaches of sanctions are "strict liability" offences (see 2.2.2 Breaching Sanctions), meaning that the prosecution is not required to prove any intention, knowledge, recklessness or negligence in relation to the offence. Otherwise, mental elements must still be proven.

2.3 Licensing
2.3.1 Derogation
An "authorisation" or "permit" (typically called a "sanctions permit") is available in certain circumstances to permit certain activities related to a person or entity on the Consolidated List that would otherwise be prohibited under Australian sanctions laws. These sanctions permits are granted by the Minister (or their delegate).

The criteria that must be met vary depending on the specific activity and the sanctions regime from which derogation is sought. For all permits, the Minister must be certain that granting the permit would be in the national interest. Additionally, any permits under the COTUNA require approval from the UNSC.

According to new DFAT guidance, any permit application must be in respect of one of the following:

- a basic expense dealing, being "a transaction that is necessary for basic expenses";
- a legally required dealing, being "a transaction that is necessary to satisfy a judicial, administrative or arbitral judgement that was made prior to the date which the person or entity who is party to the proposed transaction became a designated person or entity"; or

- a contractual dealing, such as "payment of interest on accounts holding controlled assets and payments required under contracts, agreements or obligations made before the date on which the assets became controlled assets".

The ASO requires all applications to contain "sufficient detail of a specific contravention to which the application relates" and should not be made unless "there is a clear likelihood of a sanctions contravention occurring".

The application process will likely take at least three months and will take even longer for complex activities or those in high-risk countries or regions. Clients can request expedited treatment if there are critical commercial deadlines.

2.3.2 Provision of Legal Services

There is no express exception for the provision of legal services to designated persons; activities associated with such services are likely to breach Australian sanctions law. Therefore, providing legal services to a designated person requires a permit.

However, there are two important caveats.

First, there is a general permit authorising certain dealings in association with the provision of certain services directly related to the provision of legal advice or legal representation (SAN-2024-00138). This permit was reissued 30 October 2024 and is set to expire by 30 October 2026.

Second, the appeal in Deripaska v Minister for Foreign Affairs featured the High Court of Australia ruling that a designation cannot prevent designated individuals from accessing legal services to challenge the validity of decisions or actions under the Constitution or the Judiciary Act 1903 (Cth). Practically speaking, this means a designated person can engage a lawyer to challenge a designation on constitutional or administrative grounds and the lawyer can provide such services, irrespective of whether there is a Ministerial permit to do so.

This also allows preliminary or ancillary steps, such as preliminary conferences, the transfer of retainer funds to a trust account, the generation or sending of documents to the designated person or "any inquiry of fact" required to determine such remedies.

2.4 Reporting

There are no continuous reporting obligations under Australian sanctions law. However, there are record-keeping obligations and certain government officials have information-gathering powers.

Record-Keeping Obligations

Two types of records must be retained, as follows.

- Any records or documents relating to an application must be retained for five years by the applicant. Importantly, this obligation remains even if the permit is not granted. The five years begin from the date the permit was granted or, if it was refused, from the date the application was made.
- Any records or documents relating to the person's compliance with any conditions of the permit must be retained for five years, beginning on the last day on which an action to which the permit relates was done.

Information-Gathering Powers

A "CEO of a designated Commonwealth entity" can require a person to give information or documents to determine compliance with a sanction law. A designated Commonwealth entity includes DFAT, the Department of Defence, the Australian Customs Service and AUSTRAC. These are called section 19 notices. The section 19 notice will specify the information and/or documents sought and the timing and manner in which the notice must be complied with.

Information cannot be withheld on the basis that its provision will be self-incriminating. However, neither the information given – nor the giving of the document – is admissible as evidence against the individual in any criminal proceedings or in any proceedings that would expose the individual to a penalty, apart from proceedings for:

- providing false or misleading information given in connection with a sanction law; or
- failing to comply with the requirement to provide information or documents.

Failing to comply with the requirement is a criminal offence, punishable by up to 12 months' imprisonment.

3. Recent and Future Legal Developments

3.1 Significant Court Decisions or Legal Developments

Court Decisions

The three most significant court decisions or legal developments in Australia are:

- *Alexander Abramov v Minister for Foreign Affairs* (No 2) (2023), which challenged the designation of an individual and confirmed that sanctions could be imposed for past actions that have been discontinued but also provided further insight into the administrative process of sanction-making – this decision, in turn, led to the Australian government passing legislation to reflect the outcome of this decision and retrospectively validate past sanction decisions; and
- *Alumina and Bauxite Company Ltd v Queensland Alumina Ltd* (2024) FCA 43, which was Australia's first case examining the sanctions regimes in the context of commercial contracts/force majeure and confirmed the broad scope of sanction provisions (see **6.1 Force Majeure** for further details). *Deripaska v Minister for Foreign Affairs* [2026] HCA 14, which confronted the question of whether a sanctions instrument could deny a designated person access to legal services to advise on the availability of (or lack thereof) judicial review under administrative law or the constitution. By unanimous decision, the High Court held that the sanctions legislative instruments could be read down to exclude their constitutionally invalid operations and allow designated persons to obtain legal advice for judicial review proceedings in relation to their designation and that such services did not require a ministerial permit. Importantly, this therefore allows lawyers to provide these services without reliance on a permit that must be renewed every two years.

Legal Developments

The Australian Government has introduced new sanctions frameworks, including the Afghanistan sanctions framework, allowing the Minister to impose sanctions under a new set of criteria, in conjunction with or independently of the UNSC sanctions.

Another significant and recent legal development in relation to Australian sanctions laws is the new AML/CTF regime's requirement for reporting entities to develop, maintain and comply with policies to ensure they do not contravene targeted financial sanctions obligations.

Under the new regime, reporting entities are required to reasonably establish that a customer, beneficial owner of a customer or person acting on behalf of a customer, is not designated for targeted financial sanctions prior to providing a designated service to that customer. Reporting entities will also be subject to an ongoing requirement to monitor existing customers to check whether they have become designated for targeted financial sanctions or have breached Australian sanctions laws.

3.2 Future Developments

The Australian Government is actively considering reforms to sanctions laws "to ensure they are fit for purpose and easier to understand".

According to DFAT's website, the Australian Government is currently considering proposed reforms and drafting legislative and regulatory amendments ahead of the Autonomous Sanctions Regulations 2011 sunsetting on 1 October 2027. These reforms are likely based on the reports received from at least four reviews that addressed the Australian sanctions regimes:

- DFAT's review that commenced in January 2023 and concluded on 30 October 2024, titled 'Review of Australia's Autonomous Sanctions Framework';
- the Defence and Trade References Committee's review that commenced in March 2024 and concluded in September 2024, titled "Australian Support for Ukraine", September 2024;
- the Foreign Affairs, Defence and Trade Reference Committee's review that commenced in July 2024

and concluded in February 2025, titled "Australia's sanctions regime"; and

- the review by the Human Rights Subcommittee of the Foreign Affairs, Defence and Trade Reference Committee that commenced in December 2024 and concluded in March 2025, titled "Australia's thematic sanctions framework: A legislated review of the operation of the Autonomous Sanctions Amendment (Magnitsky-style and other Thematic Sanctions) Act 2021".

All in all, this patchwork of reviews presents a range of stakeholders' views on Australia's sanctions regimes. It provides a starting point for an array of legal and regulatory developments. However, there is no draft legislation on the table. The Sanctions Act, however, is due to sunset on 1 October 2027, which is fast approaching.

4. Delisting Challenges

4.1 Process

There are two general ways to "challenge" a designation – namely, by requesting a revocation of the designation or by seeking judicial review of the decision to designate.

Request Revocation

The specific procedure depends on the case factors, including the basis on which a person wants to challenge the designation and the regime under which the person was designated. By way of example, requests for delisting of:

- UNSC listings should be made to the Focal Point for De-listing or through the country of citizenship or residence;
- UNSC listings related to ISIL (Da'esh) and Al Qaeda should be made to the UN Office of the Ombudsperson or through the country of citizenship or residence;
- UNSC listings related to the counter-terrorism (UNSCR 1373) sanctions regime should be made to DFAT; and
- listings related to Australian autonomous sanctions should be made to DFAT.

For requests concerning Australian autonomous sanctions, it is important to note that once a request is submitted, the Minister is not obligated to consider any further requests from the same entity (or on their behalf) for at least 12 months. As such, it is essential to ensure that the initial request is thoroughly prepared (ideally with legal advice) to avoid a mandatory 12-month waiting period before another request can be made.

Judicial Review

The procedure by which to challenge the decision to list itself may be different from the foregoing (eg, through administrative law) and differ from case to case.

4.2 Remedies

A successful delisting challenge can result in the removal of the designation list, as this is the primary objective of such a challenge.

Importantly, there is no statutory right or framework in Australia to recover financial compensation for wrongful designation. However, there may be compensation available if the sanctions were imposed "maliciously". This remains untested in Australia.

4.3 Timing

The time it takes to obtain a delisting may vary significantly depending on the specific circumstances. There are no statutory timeframes.

5. Trade and Export Restrictions

5.1 Services

There are several – independent and overlapping – statutory regimes that prohibit, authorise or otherwise regulate the import and export of a range of goods and services in Australia.

The primary statutory instruments have been outlined below.

- The Customs Act 1901 (Cth) and the Customs (Prohibited Exports) Regulations 1958 (Cth) – these primarily deal with controls for the import and export of most goods, including defence and dual-

use goods and technologies. The ABF is the primary agency responsible for enforcing this regime; however, other government agencies are involved, including the Defence Export Controls (DEC) within the Department of Defence.
- The Weapons of Mass Destruction (Prevention of Proliferation) Act 1995 (Cth) – this controls any goods, technologies or services that could be used in a weapons of mass destruction programme. The DEC administers this regime.
- Defence Trade Controls Act 2012 (Cth) – this controls the transfer of defence and strategic goods, technologies and services. The DEC also administers this regime. Key to this regime is the Defence and Strategic Goods List 2024, which sets out the military and dual-use goods, software and technologies subject to export control regulations in Australia.
- Export Control Act 2020 (Cth) – this establishes a framework that regulates the export of all goods (including agricultural products and food) through the Export Control Rules 2021. This regime is generally administered by the Department of Agriculture, Fisheries and Forestry.

The import or export of a good or service must comply with any applicable regime, which may require seeking authorisation from the relevant authority under each regime. By way of example, the export of a dual-use good to a country subject to a sanctions regime may require an export permit from the DEC as well as a sanctions permit from the ASO.

There is notably more enforcement action regarding the abovementioned regimes than regarding the sanctions regimes.

5.2 Goods

Please refer to **5.1 Services**.

6. Civil Litigation and Arbitration

6.1 Force Majeure

Australian courts have recognised that Australian-imposed sanctions can trigger a force majeure clause, allowing the contracting party to terminate a contract. This position was made clear in *Alumina and Bauxite Company Ltd v Queensland Alumina Ltd* (2024) FCA 43, whereby it was found that a party was entitled to cease supplying, shipping and delivering certain goods to other entities – in which the designated oligarchs held indirect shareholding interests – on the basis that such activities would breach Australia's autonomous sanctions. This question turned on the construction of the specific sanction regime and each of the contract's force majeure clauses. This position was confirmed by the Full Federal Court of Australia in dismissing Alumina and Bauxite Company Ltd's appeal in *Alumina and Bauxite Company Ltd v Queensland Alumina Ltd* [2024] FCAFC 142.

Based on this, a party would have to show only on the balance of probabilities that they would breach Australian sanctions (a breach that would ordinarily require proving beyond a reasonable doubt).

Even where there is no suitable force majeure clause, there may be other avenues available to parties when sanctions affect contracted obligations, such as the common-law defence of supervening illegality. This defence is enlivened where there is a change in the law – after the formation of a contract – that renders the future performance of a contract unlawful. Supervening illegality is a defence to the non-performance of the contract. In some circumstances, supervening illegality may have the same terminating effect as frustration.

The impact of non-Australian sanctions on the performance of contractual obligations remains largely untested.

6.2 Enforcement

Australian courts are yet to consider key questions concerning the enforcement of Australian judgments – or the recognition and enforcement of foreign judgments – where sanctions are live issues.

These questions will turn on the precise sanction regimes at play, the role of the sanctioned person or entity (eg, plaintiff, defendant, judgment creditor or judgment debtor) and the circumstances of the matter, including the timing of the proceedings. There may be influence drawn from UK decisions such as *PJSC National Bank Trust* & *Anor v Boris Mints* & *Ors* (2023) EWHC 118 (Comm) and the *Ministry of Defence and*

Support for Armed Forces of the Islamic Republic of Iran v International Military Services Ltd (2019) 1 WLR 6409.

As a starting point, a permit may be able to be issued under regulation 20 (4) of the Sanctions Regulations for certain dealings required to "satisfy a judicial, administrative or arbitral lien or judgment that was made before the date on which the person or entity became a designated person or entity" where the dealing is not "for the benefit" of that designatee.

It remains to be seen how courts will interpret and apply this provision, including whether it extends to foreign judgments. Regardless, the ASO has noted that assets provided to a designated person or entity as a result of a legal proceeding or settlement will be frozen until the designation is removed, an approach that seeks compliance with both pre-designation judgments and sanctions regimes.

What is clear is that a permit basis is not expressly available for judgments secured after a designation, even when those proceedings were ongoing at the time of the designation, which further widens the impact of sanctions.

7. Designation, Compliance and Circumvention

7.1 Executive Body

The Minister of Foreign Affairs is responsible for making designation decisions.

7.2 Scope of Designation

Strictly speaking, only those who are expressly designated are designated. However, Regulation 14 of the Sanctions Regulations prohibits the indirect facilitation of the provision of sanctioned assets to a designated person. That is to say, it is an offence if one "indirectly makes an asset available to or for the benefit of a person or entity" without a permit. Australian courts have stated that this regulation should be given "the full meaning that is open from the words", so as to include provision "through interposed corporate entities" and "where the benefit is either the object, effect or likely effect of making the asset available".

There are also additional offences that extend prohibitions to entities or bodies "owned or controlled" by or those "acting on behalf of" (and similar language) sanctioned governments, individuals or entities.

More definitively, the assets of a designated person may not be easy to identify and may extend beyond those that are obvious, as they encompass assets owned or controlled by the designated person. The ASO's Guidance Note – dealing with assets owned or controlled by designated persons and entities – advises that ownership and control of a given asset are determined according to the "factual circumstances, including the kind of asset and the laws of jurisdiction in which it was created".

7.3 Circumvention

7.3.1 Prohibiting Provisions

Some provisions were designed to ensure compliance with Australia's sanctions regimes by preventing any circumvention. Specifically, Regulation 13 of the Sanctions Regulations prohibits the provision of a "sanctioned service", which is broadly defined to include essentially any service "if it assists with or is provided in relation to, a sanctioned supply". This broad scope was reportedly explained by the Australian government as necessary to prevent circumvention of the laws through intermediaries or by exploiting loopholes.

7.3.2 Criminal Penalties

An activity that breaches Regulation 13 of the Sanctions Regulations is a criminal offence and attracts the same penalties as set out in **2.2.2 Breaching Sanctions**.

Trends and Developments

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Nyman Gibson Miralis

Nyman Gibson Miralis is an international, award-winning criminal defence law firm based in Sydney, Australia. For more than 55 years, the firm has been leading the market in all aspects of general, complex and international crime and is widely recognised for its involvement in some of Australia's most significant criminal cases. Nyman Gibson Miralis' international law practice focuses on white-collar and corporate crime, transnational financial crime, international sanctions, bribery and corruption, international money laundering, cybercrime, international asset freezing/forfeiture, extradition and mutual assistance law. The team strategically advises and appears in matters where cross-border investigations and prosecutions are being conducted in parallel jurisdictions, involving some of the largest law enforcement agencies and financial regulators worldwide. Working with the firm's international partners, Nyman Gibson Miralis has advised and acted in investigations involving the USA, Canada, the UK, the EU, China, Hong Kong, Singapore, Taiwan, Macao, Vietnam, Cambodia, Russia, Mexico, South Korea, the British Virgin Islands, New Zealand and South Africa.

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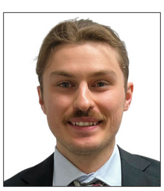

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Over the last 12 months, Australia's sanctions regime has continued to grow and evolve, driven by continuing geopolitical tensions, increased global coordination and the pursuit of widespread compliance and streamlining reforms.

Snapshot of the Consolidated List: July 2026

In Australia, the key regulator, the Australian Sanctions Office (ASO), maintains a list of all individuals, entities and vessels subject to Australian sanctions. This includes aliases, the relevant instruments and the relevant types of sanctions (eg, targeted financial sanctions, travel bans, arms embargoes and maritime sanctions).

As of mid-July 2026, 3,838 primary designations were active under Australian sanctions regimes according to the ASO Consolidated List. These comprised 2,537 individuals, 1,039 entities and 262 vessels.

When compared to preceding years' Consolidated Lists, it is clear that Australia's active sanctions continue to climb year-on-year. In fact, the 3,838 active listings as at July 2026 are a jump compared to the 3,213 designations in July 2025 and the 3,052 in July 2024.

Further examination of the Consolidated List informs the article below.

2024 Reviews and 2026 Reform?

We are witnessing the slow emergence of effects from the reviews and reports conducted between 2023 and 2025 and more are to come. For example, the ASO has already taken steps to simplify the Consolidated List and to release extensive guidance and advisory notes (see further below).

DFAT carried out the primary review into Australia's autonomous sanctions framework after 12 years of operations. This review commenced in January 2023 and concluded on 30 October 2024, titled "Review of Australia's Autonomous Sanctions Framework" and was started in light of the impending expiry of the Sanctions Act on 1 April 2024. This was extended to 1 October 2027. Although another extension could be on the cards, we will likely see public consultations and reforms proposed over the next 12 months.

The other reviews covered topics including one in September 2024 on Australia's support for Ukraine; another on the regime more generally, which concluded in February 2025; and a fourth in March 2025 concerning the thematic sanctions frameworks.

Overall, these reviews noted a serious need to strengthen regulatory monitoring and enforcement capabilities and a strong desire for increased reasoning and challenging processes. These reports called for significant legislative reform and increased regulatory operations for both compliance and enforcement.

The Australian Government has signalled the reform process is still underway "to ensure [the sanctions laws] are fit for purpose and easier to understand". They are currently considering reform proposals and drafting legislative and regulatory amendments. The next steps of the process will include releasing exposure drafts for at least one round of public consultation. So watch this space.

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Changes to the Consolidated List

On 6 November 2025, the Australian Sanctions Office launched a new format for the Consolidated List, resulting in changes to reporting. This change was in response to public feedback. The Consolidated List is an official register that the Australian Sanctions Office publishes on its website to display the designated entities and certain other relevant information at that date.

Some changes are cosmetic, such as rephrasing certain terms, fixing recurring typographical issues and standardising formatting for dates of birth and nationalities.

Three changes are more informative:

- the strength of an alias (either Weak or Strong);
- the explicit inclusion of "vessels" (as distinct from entities or individuals); and
- the specification of the type of sanction (Targeted Financial Sanction; Travel Ban; Arms Embargo; Maritime Restriction).

The first may be useful for companies in undertaking risk assessments, given that it is information that may not otherwise have been publicly available. At the same time, the latter two may make an assessment process more efficient. Additionally, any individual vessels that are subject to UN sanctions are not included in this Consolidated List and are located on the 1718 Designated Vessels List on the United Nations Security Council website.

However, the tool itself remains largely the same.

2026 Focus Point 1: Russia-Ukraine Conflict

Australia utilises at least three frameworks to impose sanctions in relation to the Russia-Ukraine conflict: the Russia country framework, the Ukraine country framework and the new vessels framework.

Over the last 12 months, sanctions related to the Russia framework have accounted for only 9.3%. There have been no additions under the Ukraine framework, with the number of active sanctions holding steady at 841. However, 261 of the 262 vessels have been designated in relation to Russia under the new vessels framework, resulting in over 23% of the Australian sanctions imposed between July 2025 and 2026. Overall, the share of active sanctions related to the Russia-Ukraine conflict has risen to 53.9%.

Additionally, there have been notable updates regarding the Oil Price Cap (OPC) applicable to Russian-origin products. For some time, there has been a total ban on the importation of Russian-origin products and related financial activities. Simultaneously, certain activities related to third-party selling have been allowed via a general permit, subject to the OPC.

By February 2025, the general permits that previously authorised OPC-related activities had expired. From that point, those engaging in such activities must have applied and obtained a specific permit. Such activities will be issued only when the typical requirements are met and third-party countries purchase the products at prices below the relevant price caps. At the time of writing, these price caps were:

- USD44.10 per barrel for crude oil;
- USD100 per barrel for high-value refined petroleum products; and
- USD45 per barrel for low-value refined petroleum products.

The crude oil price cap was reduced from USD60 on 18 September 2025, further restricting the availability and commercial viability of such activities.

Over the last 12 months, the OPC has been reduced twice, on 18 September 2025 (to USD47.60) and 24 February 2026 (to the current level). The other price caps have remained the same.

2026 Focus Point 2: DPRK

In terms of raw numbers, Australia's use of sanctions in relation to the Democratic People's Republic of Korea (DPRK) has been a significant focal point for the first six months of 2026, with 155 designations under the DPRK country framework.

Multilateral Sanctions Monitoring Team and reports

In March 2025, Russia vetoed the renewal of the mandate of the Panel of Experts (PoE) under the Security

Council Committee established pursuant to resolution 1718. The PoE was responsible for reporting on North Korea's non-compliance with sanctions.

In response, Australia has joined Canada, France, Germany, Italy, Japan, the Netherlands, the Republic of Korea, New Zealand, the United Kingdom and the United States to establish a member state-led Multilateral Sanctions Monitoring Team (MSMT) to monitor and report on North Korea's sanctions non-compliance.

Australia's motivation behind participating in the MSMT was driven by the need to address North Korea's ongoing pursuit of weapons of mass destruction and malicious cyber activities.

Since its establishment, the MSMT has released two reports. The first was published on 29 May 2025 and titled 'Unlawful Military Cooperation including Arms Transfers between North Korea and Russia (MSMT/2025/1)'. The second was published on 22 October 2025 and titled 'DPRK's Violation and Evasion of UN Sanctions through Cyber and Information Technology Worker Activities (MSMT/2025/2)'.

The latter canvassed a range of issues relevant to sanctions enforcement and cyber-related activity. For example, the report outlined that DPRK actors have engaged in a range of cybercrimes, including the theft of USD1.65 billion in cryptocurrency and the theft of sensitive information from defence companies through social engineering, malware and ransomware. The DPRK also uses cryptocurrency (primarily stablecoin) as a means of payment and sale to more easily evade and violate UN sanctions. The report specifies the sanctioned entities involved before making 11 recommendations primarily aimed at governments, financial institutions or cryptocurrency-related service providers.

Australia's sanctions response

In response to the MSMT's second report, the Australian Government imposed financial sanctions and travel bans on four entities and one individual in relation to the cybercrime report. This was done under the Autonomous Sanctions Regulations 2011 – Democratic People's Republic of Korea, not the thematic cyber regime.

We are likely to see the MSMT recommendations filter through to regulatory action and international law enforcement partnerships, rather than through law reform, given the current landscape of Australian law concerning money laundering, sanctions and related areas.

2026 Focus Point 3: Israel-Palestine Conflict

Australia utilises two frameworks in imposing sanctions in response to the continuing Israel-Palestine conflict:

- The Charter of the United Nations Act 1945 (Cth). For example, Hamas and certain organisations named in relation to Palestine have been listed via this framework. Certain relevant designations were reviewed in July and renewed in September 2025, and new listings were made as recently as 6 June 2026.
- The Magnitsky-style human rights sanctions framework. The latest were imposed on 2 June 2026 in relation to three additional Israeli individuals and four entities in response to escalating settler violence against Palestinians in the West Bank. These are usually taken as part of a coordinated effort with other countries, including New Zealand, Canada, France, Norway and the United Kingdom. What is important to note is that Australia does not follow these countries in lockstep and there continues to be a growing gap between the sanctions imposed by close allies such as the UK and those of Australia. For Australia's foreign policy and sanctions use, this misalignment is not unusual.

Given the calls from human rights organisations for further sanctions in this space and the growing misalignment between Australia and its close allies, it is likely that more sanctions are to come.

New Frameworks

As at July 2026, Australia has 25 sanctions frameworks. These include country-specific, thematic and UNSC-specific.

Afghanistan

On 6 December 2025, the Australian Government established what it has called a "World-first" autonomous sanctions framework for Afghanistan to "hold the Taliban to account". The framework is to complement the United Nations Security Council's Taliban regime (UNSC resolution 1988 (2011)).

The sanctions framework consists of individual designations, an arms embargo, a prohibition on supplying arms or related materials and any related services or activities to Afghanistan. Under this framework, the Minister can make a designation for engaging in, being responsible for or being complicit in any of the following:

- the oppression of women and girls in Afghanistan;
- the oppression of minority groups in Afghanistan;
- the general oppression of people in Afghanistan;
- undermining good governance or the rule of law in Afghanistan.

This exemplifies the ongoing approach to establishing a new framework, with DFAT having conducted a public consultation on its introduction in October 2025. At the announcement, the Minister designated four individuals as the first to be listed under this new framework. No further listings have been made.

The "new" vessel framework

There are two other new entries on the Consolidated List: the vessel autonomous framework and the Iran UNSC sanctions. The first was established in June 2025, when Australia imposed sanctions on 60 vessels of Russia's "shadow fleet". The Minister of Foreign Affairs did so by regulation 8 of the Sanctions Regulations, rather than by creating a new framework in and of itself.

Thematic regimes continue

There has been a gradual, marked decrease in the use of thematic sanctions regimes since their inception. Since July 2025, the Government has imposed only four sanctions under the cyber framework and seven under the human rights framework. The former were imposed on 20 November 2025, marking the fifth time Australia activated the cyber framework. The latter was undertaken yet again in conjunction with other countries and marks one of only a few instances in which the human rights framework has been used. When the Magnitsky-style sanctions were introduced, the Australian Government highlighted it would "bring us into line with key like-minded partners", who were "increasingly using thematic sanctions to respond flexibly to issues of international concern, regardless of geographic location". From the start, their use was largely aimed towards alignment with "like-minded" countries; however, Australia can act independently of these countries or at least take a leading role.

The promise of flexible use for "issues of international concern" falls short. The limited use of these frameworks, despite extensive reports of human rights abuses and corruption across the globe, suggests that the Australian Government is still working out where these tools fit within its arsenal. The sparing use also suggests that other foreign policy objectives and national interests are coming into play. The international community and order have undergone major changes throughout the last few years. As these changes occur and lines are redrawn, so too may Australia's approach to sanctions and its national interests that restrain them.

Increase in Regulatory Guidance Notes

Over the last 12 months, the Australian Sanctions Office has released 12 new guidance and advisory notes and updated another.

This guidance covers the following topics:

- mining and machinery export sectors;
- humanitarian sector;
- securities and investment sectors;
- sanctions and proliferation financing;
- cyber risks of DPRK IT workers to Australian businesses;
- Russian contracts aimed at circumventing sanctions;
- sanctions circumvention using cryptocurrency;
- sanctions risk in the export of drones and drone components to Russia;
- sanctions risks from misuse of AI and new technologies;

- sanctions risks of remittance account compromises;
- sanctions risks of specific banking services; and
- sanctions risks with gold smuggling.

Export Sanctioned Goods – Russia and Specific Regions of Ukraine

These guidance notes highlight the regulatory overlap between the ASO's mandate and those of other agencies, as well as the collaboration between these agencies. Specifically, two of the above Advisory Notes were issued jointly with the Australian Border Force (drones and gold smuggling) and one with AUSTRAC (cryptocurrency use).

Law enforcement approach

The Australian Sanctions Office and Australian law enforcement bodies continue to approach sanctions enforcement with cooperation and education at the forefront. This approach is appropriate given the broad scope of Australia's sanctions regimes and resultant compliance challenges. This is especially true in the wake of *Alumina and Bauxite Company Ltd v Queensland Alumina Ltd* [*2024*] *FCA 43* and its appeal, in which the Federal Court held that sanctions violations could occur due to conduct by others further down the supply chain.

Without published statistics, it is difficult to determine trends, including in the use of section 19 notices and enforcement proceedings. According to the Office of the Director of Public Prosecutions' 2025 Annual Report, there were no charges under the Sanctions Act, leaving *R v Choi* (*No 10*) (2021) as the only reported law enforcement case in Australia.

Based on media releases, there may be at least one other case before the Downing Centre Local Court, Sydney. The defendant is a director of an Auburn-registered remittance company who allegedly processed 543 international currency transfers totalling AUD649,308 to sanctioned banks in Iran over a 12-month period, in contravention of section 16 (1) of the Autonomous Sanctions Act 2011 (Cth). In July 2025, the Australian Federal Police executed warrants against the individual, then issued charges in September 2025. The case was scheduled for October 2025. It is currently unclear whether it is ongoing or resolved.

The case demonstrates the coordinated effort by Australian agencies in sanctions enforcement, with the Australian Sanctions Office identifying the potential breach and issuing a report; the Australian Federal Police conducting an initial investigation and executing warrants, before an arrest; and the Australian Transaction Reports and Analysis Centre suspending the company's remittance licence for 12 months.

Permits in Practice

Publication but continued limited use

An important non-legislative development is in the publication of general permits. Since the inception of the autonomous regimes, the Minister of Foreign Affairs ("the Minister") has had the power to issue general permits allowing conduct that would otherwise be prohibited by sanctions. Since July 2023, the ASO has published the existing class or general permits for certain areas, including IP and legal services. Previously, they were unpublished and required applications.

Typically, these permits expire within two years of issuing. However, they can expire earlier, as illustrated by those related to the Russian OPCs. If they are to be withdrawn, those reliant on the permit may be contacted, as occurred with the Russian OPC withdrawal. Yet it remains the responsibility of each individual seeking to rely on the general permit to "read the terms of the permit carefully" and to report to the ASO their intent to rely on the permit.

For any conduct falling outside these permits, entities must engage with the ASO and apply for an individual permit. The ASO estimates the standard waiting time as three months. Such a length of time can lead to significant consequences for the financial industry and other businesses – the impact of which is compounded, given the lack of notice before sanctions are imposed.

There is still a distinct lack of general permits seen as key in other jurisdictions. One important absence is a general permit for humanitarian reasons. However, with the recent introduction of the Afghanistan framework, the Minister also granted a general permit for certain activities necessary to provide or facilitate humanitarian assistance in Afghanistan (SAN-2025-00199).

Another notable absence is a permit for an orderly wind-down of existing business activities and contractual obligations. The impact is compounded by the lack of authoritative guidance on the sanctions regimes, as illustrated by arguments advanced in the Alumina and Tigers Realm cases.

No retrospectivity

Importantly, the ASO does not issue retrospective permits. This has been the ASO's position since at least 2024. This position accords with legislation as neither the Sanctions Act nor Sanctions Regulations grants such a power to the ASO.

As a result, where a potential sanctions issue is raised by a third party but addressed by the ASO with only a warning letter, a business or individual can be left in a legislative limbo.

Gap between law and banking policies

A subsisting trend among certain banks operating in Australia is that their sanction policies and practices do not account for permits. Accordingly, although an entity may have obtained a permit or fall under a general permit that allows dealings with designated persons, the bank continues to prevent transactions related to the engagement.

This gap undermines the effectiveness of permits and has serious ramifications that permits try to address. By way of example, failure to recognise the general permit allowing transactions required by Russian tax law will result in serious consequences for any individual or entity with tax obligations and may even affect their position under Australian law, should there be any correlative aspects, such as foreign tax credits.

Another example is the failure to recognise the general permit allowing the provision of legal services. Prevention of payment may lead to:

- the denial of legal services crucial to ensuring the sanctions regime is accurate and fair; and
- the abrogation of certain individuals' human rights.

This issue may have been even more complicated by the recent High Court decision in *Deripaska v Minister for Foreign Affairs* [*2026*] *HCA 14*, in which the court held that a designated entity and its lawyer do not even require a permit to receive and provide legal services related to the designation. How the banks will respond to this decision remains to be seen.

Unfortunately, this issue was left largely unaddressed by the recent reviews, remaining in the "too hard" basket. Designated individuals are left at the mercy of financial institutions, relying on banks to prepare and implement policies that properly accommodate permit requirements. The practical difficulties for banks in doing so are only exacerbated by the piecemeal, fractured nature of the domestic and global sanctions system and by growing obstacles to challenging listings.

CHAMBERS GLOBAL PRACTICE GUIDES