



HUMANITARIAN SECTOR

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This **GUIDANCE NOTE** is produced by the Australian Sanctions Office (**ASO**) within the Department of Foreign Affairs and Trade (**DFAT**). It provides a summary of relevant sanctions laws but does not cover all possible sanctions risks. Users should consider all applicable sanctions measures and seek independent legal advice. This document should not be used as a substitute for legal advice. Users are responsible for ensuring compliance with sanctions laws.



OVERVIEW

Charities and non-governmental organisations (**NGOs**) are subject to sanctions laws and contravening sanctions is a criminal offence. Due to the international scope of activities performed by charities, not-for-profits and NGOs (organisations) who operate in the humanitarian sector, it is crucial to understand the scope and applicability of Australian sanctions to this work. The requirement to comply with sanctions laws applies to all organisations, including staff when performing functions on behalf of their organisation, irrespective of government funding.

However, organisations can:

1. apply for a permit to work with, or through, a sanctioned individual or organisation
2. incorporate due diligence measures that will provide protection if unintentional contraventions occur during the course of humanitarian activities.

UNDERSTANDING THE IMPORTANCE OF SANCTIONS COMPLIANCE

Sanctions compliance involves the measures and controls that organisations implement to adhere to international and Australian sanctions laws. These laws restrict transactions and engagements with specific countries, individuals, or entities. Compliance with sanctions laws reinforces the credibility of an organisation's mission and protects it from potential financial crimes, helps secure its funding, and assures stakeholders of its integrity.

Organisations delivering humanitarian aid face distinct challenges due to their presence often in politically sensitive regions, where sanctions may undergo rapid and unpredictable change. This requires them to remain consistently informed and responsive to evolving compliance obligations to avoid legal and operational risks.

Sanctions compliance is not only a legal requirement but also a key component of financial integrity for organisations. In an increasingly interconnected global landscape, where financial transactions are subject to intense scrutiny, the risk of unintentional contraventions rises significantly without proactive compliance management. Establishing a strong compliance culture helps mitigate these risks and reinforces trust among donors, partners, and beneficiaries by demonstrating that the organisation's financial activities are secure, transparent, and aligned with legal standards.

Implementing a Sanctions Compliance Program

The Australian Sanctions Office has produced a [Sanctions Compliance Toolkit](#) and [Risk Assessment Tool](#) which can be used to determine the foundations of a sanctions compliance program. Organisations that deliver humanitarian aid can be at an increased risk of non-compliance due to them often working in complex operating environments, and they are encouraged to seek legal advice about how to manage their sanctions risk. A compliance program for such organisations should:

1. **Identify Potential Risks:** Assess your operations to determine where risks related to sanctions compliance may emerge. These include transactions with international entities, activities within sanctioned countries or cross-border financial transfers. The identification of risk may be dependent on the type of humanitarian aid you supply, and the location you operate in. The sanctions self-assessment toolkit can assist you in this process.
2. **Perform a Risk Assessment:** Evaluate the likelihood of each identified risk, considering factors like geographic location, political stability, and the regulatory environment. The sanctions self-assessment toolkit can assist you in this process.
3. **Establish Internal Controls:** Develop robust policies and controls to mitigate the identified risks. At a minimum, this should involve screening recipients and downstream partners against the [Consolidated List](#). It may also be appropriate to incorporate sanctions clauses requiring compliance with Australian law if working with local or downstream partners. Other controls may include automated monitoring systems, regular training, and enhanced due diligence processes if heightened sanction risks are present.
4. **Regular Audits and Updated Risk Assessments:** Regular audits are essential to detect compliance gaps and ensure that controls are working effectively. Audits not only provide insights into current operations but also identify areas for improvement, ensuring the compliance program remains effective as regulations and risks evolve. The sanctions environment can change rapidly. Reassessing your risk landscape periodically will help you keep up with any regulatory changes or shifts in operational focus.
5. **Integrating Sanctions Compliance with Risk Management.** Organisations should integrate sanctions compliance into their broader risk management framework. This involves aligning compliance processes with risk management practices, ensuring a unified approach to handling potential violations and protecting organisational integrity. Building a culture of compliance ensures that all staff understand the importance of adhering to sanctions laws. Regular training, open communication about compliance expectations, and strong management oversight all contribute to cultivating this culture, helping nonprofit organisations avoid inadvertent sanctions violations.

RISK FACTORS FOR THE HUMANITARIAN SECTOR

Services and products

Funding: Organisations can face significant risks when managing funding in sanctioned countries. Financial transactions intended for aid delivery can be delayed, rejected, or flagged by banks due to concerns about inadvertently supporting sanctioned individuals or entities. Even incidental contact with designated persons, such as interactions with local partners or vendors, can trigger compliance issues. Without robust due diligence and clear documentation, organisations may unknowingly breach sanctions, exposing themselves to legal penalties and reputational harm.

Food and physical goods: Food and physical goods (particularly goods that have commercial, governmental or military use, such as computers, shelter or medical provisions) are at higher risk of diversion to sanctioned entities. Supply management and reporting obligations can assist in reducing this risk. Organisations should

implement strict inventory controls, conduct end-use verification, and ensure that goods are not transferred through intermediaries with links to designated persons or entities. Where possible, tracking systems and delivery confirmations should be used to monitor the movement and final destination of goods. These measures can help demonstrate compliance and reduce the likelihood of inadvertent breaches of sanctions laws.

Staffing and travel: Deploying staff and humanitarian workers to certain jurisdictions may involve sanctions-related risks, particularly where payments—such as visa fees, airport taxes, payment of utilities, transport services, or accommodation costs—could inadvertently benefit sanctioned entities or government bodies. Organisations should consult DFAT’s [Smartraveller](#) for country-specific travel advice and assess whether any travel-related transactions require additional scrutiny. Staff should be briefed on relevant sanctions considerations before departure, and travel plans should be reviewed for potential sanctions risks. Where appropriate, legal advice or a sanctions permit may be necessary to demonstrate reasonable precautions and proceed lawfully.

Operational risks: Operational risks can include contracting, partnerships, and insurance. Collaborating with local NGOs or service providers without proper vetting can lead to indirect support of sanctioned entities. Insurance coverage may be voided if operations are conducted in breach of sanctions, and legal liability may arise from insufficient oversight.

High Risk Countries

Organisations operating in or delivering aid to sanctioned or conflict-affected regions face increased sanctions risks. The following jurisdictions are subject to comprehensive or targeted sanctions regimes that present increased sanctions compliance risk:

- Syria
- Iran
- Democratic People’s Republic of North Korea (DPRK)
- Russia and parts of Ukraine (Crimea, Donetsk, Luhansk and Sevastopol)
- Afghanistan via the [Taliban sanctions framework](#).
- Myanmar
- Yemen

Additionally, several African nations—including the Central African Republic, Democratic Republic of the Congo, Sudan, South Sudan, Somalia, and Zimbabwe—are subject to sanctions due to armed conflict, political instability or human rights concerns.

Humanitarian organisations must conduct thorough country-specific risk assessments, consult official guidance (such as DFAT’s sanctions resources), and determine whether permits may be required, or whether exemptions apply. Geographic risk also extends to **transit routes** and **third-party service providers** operating in or through sanctioned territories, requiring careful due diligence and documentation.

Terrorism financing risks and CoTUNA sanctions

Australia has listed a number of entities and individuals under the Counter-Terrorism (UNSC 1373) sanctions framework. **These sanctions apply regardless of location, and the location and jurisdiction of terrorist groups may change over time.** Contravening these sanctions can result in serious legal consequences, including substantial fines and imprisonment under the *Charter of the United Nations Act 1945*, and charges under the *Criminal Code Act 1995* for terrorism financing offences.

[Counter-Terrorism \(UNSC 1373\) sanctions framework | Australian Government Department of Foreign Affairs and Trade](#)

To mitigate sanctions risks, organisations must ensure they do not engage in transactions—directly or indirectly—with persons or entities designated under the counter-terrorism sanctions framework. This includes financial dealings, as well as the provision of goods and some services. Proactive compliance measures, such as due diligence, risk assessments, and internal controls, are critical not only for legal protection but also for safeguarding reputational integrity and operational continuity.

This information pertains solely to *sanctions risks*. Reviewing public guidance from Home Affairs and AUSTRAC on terrorism financing risks under the criminal code is advised.

EXEMPTIONS AND PERMITS

The UN humanitarian exemption

The UN humanitarian exemption can be relied on in limited circumstances, but it is important to understand that this exemption **only applies to UNSC sanctions and does not provide an exemption to sanctions imposed under Australian's autonomous sanctions framework**.

UN Security Council Resolution 2664 introduces a standing humanitarian exemption to asset freeze provisions across all UN sanctions regimes. It affirms that the provision of funds, economic resources, or goods and services necessary to ensure the timely delivery of humanitarian assistance or to meet basic human needs does not contravene UN sanctions, if such activities are carried out by certain trusted organisations, such as the UN, Red Cross, or other impartial groups. This exemption is grounded in international humanitarian law, international human rights law, and international refugee law, and is intended to ensure that sanctions do not stop life-saving aid or essential services.

The resolution applies universally to existing and future sanctions frameworks unless explicitly excluded by the Security Council. For the ISIL (Da'esh) and Al-Qaida sanctions regime, this exemption was initially time-limited to two years. However, on 6 December 2024, the Security Council adopted Resolution 2761 (2024), confirming the continued application of the humanitarian exemption to this regime.

Humanitarian organisations are expected to conduct thorough due diligence and risk management to prevent sanctioned individuals or entities from benefiting, while maintaining transparency and accountability in their operations.

Sanctions permits

Australia does not have a general humanitarian exemption under its autonomous sanctions framework. However, in some situations, the ASO can facilitate the provision of aid or essential services by issuing a sanctions permit. A sanctions permit is an authorisation by the Minister for Foreign Affairs (or the Minister's delegate) to undertake an activity that would otherwise be prohibited by Australian sanctions law. **The ASO gives priority to permit applications that serve a humanitarian purpose.**

The Minister may grant a permit in relation to both UNSC and autonomous sanctions frameworks. For some countries, both UNSC and autonomous sanctions apply. More detailed information on Australia's sanctions frameworks, including the specific criteria for granting permits under each framework, can be found on the [DFAT website](#).

The criteria for sanctions permits under UNSC sanctions frameworks vary, as do the range of activities that the Minister can authorise. These activities tend to be more limited than those which can be authorised under autonomous sanctions frameworks. Additionally, some of the UNSC sanctions frameworks require the Minister to notify or receive the approval of the UNSC before granting a sanctions permit.

A sanctions permit does not offer exemption from offences under the criminal code for terrorism financing.

What is the 'national interest' test?

All permits issued under Australia's autonomous sanctions frameworks must meet a consistent legal requirement: the Minister for Foreign Affairs cannot approve a permit unless he or she is satisfied that doing so is in the 'national interest'.

This generally requires the Minister to be satisfied that the grant of a permit is beneficial, or advantageous, to the national interest. It requires a consideration of whether something is advantageous to the nation as a whole, as opposed to only a particular company, group or section within the nation, or to a particular region or locality.

Applying for a permit

A person or organisation may apply to the ASO for a permit in relation matters such as dealing with frozen assets or the provision of assets to a designated person or entity. Whether a permit is granted for a particular dealing will depend on the particular sanctions framework.

The ASO is committed to prioritising permit applications that relate to humanitarian aid or the provision of essential services.

[Further information on sanctions permits and how to apply for sanctions permit.](#)

Further information and resources

While this guidance note provides a framework for understanding key sanctions risks and compliance requirements, it is essential to remember that it does not cover every possible scenario. Sanctions compliance is an ongoing obligation rather than a one-time assessment. Sanctions measures and associated risks are constantly evolving, requiring regulated entities to continuously monitor and reassess their compliance strategies. Australian regulated entities are encouraged to seek independent legal advice tailored to their specific situations and ensure thorough due diligence in all activities.

Further information is available on the Department's website and in [ASO guidance notes on](#) specific sanctions topics. If you have any questions, you can make an enquiry through PAX or via email at sanctions@dfat.gov.au.