



THE IMPORT, PURCHASE OR TRANSPORT OF RUSSIAN-ORIGIN OIL AND REFINED PETROLEUM PRODUCTS AND RELATED SERVICES

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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.

This guidance note replaces 'Guidance Note - The Import, purchase and transport of transformed and de minimis quantities of Russia-origin petroleum gases, oil and refined petroleum products' published on 11 June 2025.



OVERVIEW

Australia has imposed autonomous sanctions on the import of a number of Russian-origin energy goods, including petroleum gases, crude oil, and refined petroleum products. These goods are Russia's largest global source of export revenue. By sanctioning these goods, Australia aims to diminish Russia's ability to finance its illegal and immoral war against Ukraine.

This guidance seeks to clarify the application of Australian sanctions laws on the complex issues surrounding the sanctions on the import, purchase or transport of Russian-origin oil and petroleum products, including under Australia's implementation of the G7 Oil Price Cap.

SANCTIONS RISK

Australia has imposed autonomous sanctions measures in relation to a number of Russian-origin energy goods, including petroleum gases, crude oil, and refined petroleum products. These goods are Russia's largest global source of export revenue. By sanctioning these goods, Australia aims to diminish Russia's ability to finance its illegal and immoral war against Ukraine.

Australian sanctions law prohibits a person or entity from:

- importing, purchasing or transporting Russian oil and refined petroleum products; and
- providing financial assistance or financial services that assist with, or are provided in relation to, the importing, purchasing or transporting of Russian oil and refined petroleum products.

These prohibitions apply to activities undertaken:

- in Australia,
- overseas by Australian citizens and Australian-registered bodies corporate,
- on board an Australian aircraft or an Australian ship.

For those involved in foreign business enterprises linked to the Russian energy sector, it is critical to maintain robust systems for monitoring and implementing new sanctions as they arise. Investments associated with countries identified as high risk for sanctions, or involving sanctioned imports and exports, should have comprehensive mechanisms in place to promptly respond to evolving regulatory requirements.

What is a sanctioned import?

A person makes a **sanctioned import** if they import, purchase or transport an ‘import sanctioned good’. Under Australia’s autonomous sanctions laws, a person must not make a ‘sanctioned import’ or provide a ‘**sanctioned service**’¹ that assists with or is provided in relation to a sanctioned import unless it is authorised by a permit granted by the Minister for Foreign Affairs.

The Minister has designated certain goods as import sanctioned goods for Russia in the [Autonomous Sanctions \(Import Sanctioned Goods—Russia\) Designation 2022](#).

Import sanctioned goods for Russia include the following:

- Petroleum oils and oils obtained from bituminous minerals, crude (AHECC 2709) (e.g. crude oil).
- Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils (AHECC 2710) (e.g. petrol, diesel, and jet fuel).
- Petroleum gases and other gaseous hydrocarbons (AHECC Code 2711).

In this guidance note, the above listed goods are referred to collectively as ‘**oil and refined petroleum products**.’

Import into Australia of Russian-origin oil and refined petroleum products

It is prohibited to import Russian-origin oil and refined petroleum products into Australia, unless authorised by a permit issued by the Minister for Foreign Affairs. ‘Russian-origin oil’ is crude oil that was derived in or was exported from Russia. ‘Russian-origin refined petroleum products’ are petroleum products that were refined in or were exported from Russia.

The import of **blended** products, also known as **mixed** or **co-mingled**, which contains more than a *de minimis* (see page 3) quantity of Russian-origin oil or refined petroleum is prohibited under the current ban.

The Minister for Foreign Affairs can only issue a permit if it is in the ‘national interest’ to do so.

G7 Oil Price Cap

The Oil Price Cap is a G7 (and partner country) initiative aimed at depressing the revenue Russia derives from its crude oil and refined petroleum product exports. It prohibits the provision of services in relation to trade in maritime-borne Russian-origin crude oil and refined petroleum products where those goods are purchased above the relevant cap. The price caps are currently set at USD44.10 per barrel for crude oil, USD100 per barrel for high value and USD45 per barrel for low value Russian-origin refined petroleum products.

Australia implements the Oil Price Cap by issuing permits (where it is in the national interest to do so) to Australian individuals and companies who wish to provide services that are otherwise prohibited by Australian sanctions laws. It is important to note that the price cap policy does not allow Australians to import, purchase or transport (other than by ship) Russian-origin oil and refined petroleum products. **It remains prohibited, without authorisation, to import Russian-origin oil and refined petroleum products into Australia, even if purchased under the relevant Price Cap.** The ASO may conduct spot-audits of individuals or entities relying on an Oil Price Cap permit and request documentation on sanctions compliance due diligence and procedures.

The Australian Government works with our international partners to ensure alignment across jurisdictions in terms of the goods and services covered by these bans, as well as details of implementation and enforcement where possible. Together with its international partners Australia continues to monitor the effectiveness of the price caps in reducing Russia’s ability to fund its illegal war in Ukraine, and the settings are kept under review.

¹ See regulation 3 of *Autonomous Sanctions Regulations 2011* for the definition of ‘sanctioned import’ and ‘sanctioned service’.

Accordingly, the operation of the price cap will be kept under review and may be updated. Individuals who have sought permits should ensure compliance with the price cap in the event that any such update is actioned.



Case Studies

1. An Australian-registered financial services company provides vessel insurance and reinsurance as part of the global energy trade. They are approached to provide insurance or reinsurance for a vessel that will transport a consignment of Russian-origin crude oil. The Free-On-Board value of the crude oil is USD44.10 per barrel.

Without a permit, the company would contravene the prohibition for providing a sanctioned service, as they would be providing a financial service in relation to a sanctioned import (transport of Russian-origin crude oil).

However, under Australia's implementation of the G7 Oil Price Cap, as the price-per-barrel of crude oil is below the cap of USD44.10, the Australian company can apply for a permit authorising the provision of the financial service.

2. The same Australian-registered financial services company is approached to provide insurance or reinsurance for a vessel that will transport a consignment of Russian-origin high-value refined petroleum products. The FOB value of this refined petroleum product is USD110 per barrel.

Under Australia's implementation of the G7 Oil Price Cap, as the price-per-barrel of is above the high value refined petroleum product cap of USD100, the Minister may not consider it in the national interest to grant the Australian company a permit under Australia's G7 Oil Price Cap measure.

Substantially transformed Russian oil imported into Australia

Since Russia's illegal and immoral invasion of Ukraine in 2022, third countries with large oil refining sectors have been importing increased amounts of Russian crude oil to use as feedstock and exporting substantially transformed Russian oil (**STRO**) to a range of markets. These arrangements present a complex compliance issue for regulated entities, as the transformation of oil during the refining process *may* change the origin of the product under trade rules of origin, or the terms of Free-Trade Agreements (**FTA**) that Australia has with other countries.

Where the good exported by these third country refiners (e.g. refined petroleum product (AHECC 2710)) is different from the good imported by the refiner (e.g. crude oil (AHECC 2709)), the ASO considers that the refined petroleum product 'originates' in that third country. This means that the STRO good produced in the third country is not an 'import sanctioned good' for Russia under Australian sanctions laws and is not subject to the import prohibition.

The Australian Sanctions Office does not consider **blending** of oil products to constitute substantial transformation. The process of blending does not cause the good to lose its identity – blended goods retain the same tariff code, use and character as an 'import sanctioned good' for Russia. When conducting due diligence, importers should assess both their immediate suppliers and upstream providers. Sanctions risk increases where a contracted supplier maintains supply arrangements with known producers of Russian oil products.



Case Studies

3. Since sanctions on Russian-origin oil and refined petroleum products came into effect following Russia's invasion of Ukraine, a large third-country-based oil refinery has begun using large quantities of cheap Russian-origin crude oil as feedstock to produce diesel fuel. Russian-origin crude oil is prohibited for import into Australia.

An Australian fuel retailer is seeking to purchase and import a consignment of diesel fuel from the Indian refinery under the Australia-India Economic Cooperation and Trade Agreement (ECTA). For preferential treatment under ECTA, the Australian company requires a Certificate of Origin, from an authorised issuer, confirming the product is of Indian origin.

The Australian company is aware of its sanctions obligations and seeks information from the refinery confirming that Russian-origin crude oil is used as the primary feedstock. The Australian company takes steps to receive a Certificate of Origin. It confirms that the refining process undertaken in India has resulted in the Russian-origin feedstock undergoing a change in tariff sub-heading from HS 2709 to HS 2710, and it has satisfied the Qualifying Value Content requirement.

The Australian company is satisfied that the diesel fuel product originated in the third country and can be lawfully imported into Australia without a sanctions permit.

4. Since the G7 Oil Price Cap came into effect, international fuel storage and retail firms have begun purchasing and blending cheap Russian-origin refined fuel products with products from non-sanctioned countries.

An Australian fuel retailer is seeking to purchase and import a consignment of fuel from Singapore. Through conversations with the exporter, the Australian company determines that there is a high risk that fuel purchased from the Singaporean company will have higher than *de minimis* amounts of Russian-origin fuel blended in.

As the product has not undergone substantial transformation, the portion of Russian-origin fuel cannot be considered to originate in the exporting country (i.e. it remains an import sanctioned good), and because the amount of Russian-origin fuel in the blend is higher than a *de minimis* amount, the import of the fuel into Australia is prohibited without a permit.

5. An Australian fuel retailer is seeking to purchase and import a consignment of fuel from a supplier in a third country. The third country (but not the supplier specifically) is known to blend large amounts of cheap Russian-origin refined petroleum products for export.

The Australian company raises their concern with the supplier, noting their obligations under Australian sanctions laws. The supplier company acknowledges their concern, and states that they do not engage in blending practices. The Australian company proceeds with the purchase under a contractual condition that the supplier not supply fuel that has been blended with Russian-origin fuel, and provides an attestation as to that fact.

The contractual clause and attestation regarding the origin of the fuel is evidence that the Australian company has conducted due diligence regarding the import of the fuel and taken reasonable steps to avoid a contravention.

Import, purchase and transport of *de minimis*² quantities of Russian petroleum gases, oil and refined petroleum products

Australia's sanctions do not apply to transactions involving *de minimis* quantities of Russian-origin oil and refined petroleum products where the presence of such *de minimis* quantities of Russian product has specifically arisen from co-mingling via transport or storage (*de minimis* quantity).

For example, it is possible for a container (including storage tanks, terminals, vessels, caverns, pipelines and other storage or transport infrastructure) that is not located in Russia to have previously been used to transport or store Russian petroleum gases, oil and refined petroleum products. In those cases, there may be a quantity of those goods that remains in the container, including in the 'tank heel' or the 'slop tank' of a vessel that cannot be practically or safely removed. Where those containers are subsequently loaded with non-Russian petroleum gases, oil or refined petroleum products, it may become **mixed, blended** and **co-mingled** with the residual Russian goods.

Consequently, the Australian Sanctions Office does not consider the following activities to be a sanctioned import under Australia's autonomous sanctions laws:

- the transport in a container of a *de minimis* quantity of Russian-origin oil or refined petroleum products, including in a 'tank heel' or a 'slop tank'; and
- the transfer or handling of a *de minimis* quantity of Russian-origin oil or refined petroleum products when loading or unloading oil or refined petroleum products into or out of a container; and
- the purchase of a *de minimis* quantity of Russian-origin oil or refined petroleum products when acquiring oil or refined petroleum products *in situ* in a container.



Case Studies

6. An Australian fuel retailer is seeking to import diesel fuel from a third country. In discussion with the supplier, the Australian company is informed that the ship set to transport the diesel fuel to Australia has just discharged a consignment of Russian-origin diesel fuel. Understanding Australia's sanctions on Russia, the supplier states that while as much as practicable of the Russian-origin diesel will be removed from the ship, some tank heel contents will remain. The Australian retailer seeks an attestation from the supplier that the remaining quantity of Russian-origin diesel cannot be practically or safely removed from the tank heel, and that the supplied fuel will not be blended with Russian-origin goods during transport.

With this assurance, the Australian company proceeds with the import, as the remaining amount of Russian-origin diesel in the ship represents a *de minimis* amount of sanctioned product once the ship is loaded with non-sanctioned diesel.

Sanctioned service in relation to Russian Oil and Oil related products

A person provides a sanctioned service if they provide financial assistance or a 'financial service' that assists with, or is provided in relation to, a sanctioned import. The term 'financial service' includes an 'investment service', a service providing financial advice, a 'brokering service', insurance, reinsurance and financial derivatives.

² *De minimis* is a legal principle which allows for matters that are trivial or insignificant to be treated as not prohibited by a rule or requirement.

A person makes a sanctioned import if they import, purchase or transport an 'import sanctioned good'. As Russian-origin oil and refined petroleum products are import sanctioned goods, particular investments in relation to those goods may involve the provision of a sanctioned service.

For more detail about sanctioned services, please refer to public guidance on Securities and Investment Sector available on the DFAT [website](#).

What do I need to do?

It is the responsibility of the regulated community to be aware of sanctions and to take steps to ensure that oil and refined petroleum products that they are importing, purchasing or transporting are not of Russian origin, and if they have been derived from Russian-origin feedstock, have undergone the necessary changes under trade rules of origin. Operators should have in place adequate **due diligence** procedures to ensure that no Russian-origin oil or refined petroleum products, including where present as part of a blended product, are being imported to Australia.

Steps include:

- Undertaking due diligence to understand the origin of a supplier's goods.
- Operators are encouraged to insert contractual clauses with their supplier in the purchase contract of imported products. Such a clause should provide a guarantee (e.g. requesting an attestation or assurance) of the oil or refined petroleum product import being of non-Russian origin.
 - Receiving attestations or assurances from the supplier to that effect or confirming that Russian-origin feedstock has undergone processes that have substantially transformed the goods.
- Where applicable, receiving a Certificate of Origin under one of Australia's FTAs, in the approved form, including an assessment of the qualifying value content.
- Consider requesting evidence of insurance certification of the vessel and validating the authenticity or legitimacy of the insurance.
- Where the above measures are not available, Australian individuals and businesses should exercise enhanced due diligence and exercise reasonable precautions to ensure they comply with Australian sanctions laws.

Operators should exercise enhanced due diligence especially in cases where:

- There are inconsistencies in documentation or attestation records.
- Shipments come from ports known to import and/or blend Russian-origin oil and/or refined petroleum products, so the likelihood of importing blended products containing Russian-origin products is higher.



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. 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](#) or by sending an enquiry to sanctions@dfat.gov.au.

It is recommended you review the following related guidance:

[Guidance Note - Maritime sector | Australian Government Department of Foreign Affairs and Trade](#)

[Guidance Note - Securities and investments sector | Australian Government Department of Foreign Affairs and Trade](#)