



Our approach to compliance

Consistent with Australia’s international obligations and foreign policy objectives, the approach of the Australian Sanctions Office (ASO) aims to uphold Australia’s Autonomous and United Nations Security Council (UNSC) sanctions frameworks, without unduly impeding legitimate business and people’s activities.

The vast majority of Australians and Australian business seek to comply with Australian sanctions laws. The ASO takes a graduated risk-based approach to compliance. The ASO undertakes extensive outreach to the community on Australia’s sanctions frameworks, and works with the community to prevent and address breaches, ensuring Australian sanctions laws are effective.

Principles and approaches

The following principles guide the ASO’s approach to the performance of its functions, how its powers are exercised and how it engages with the community.

Cooperation – the ASO seeks to partner and collaborate with the regulated community on sanctions compliance.

Foundation in evidence – the ASO’s compliance approach, initiatives and priorities are graduated and driven by close engagement with the regulated community and co-regulators.

Risk and proportionality – the ASO adopts a graduated risk-based approach to non-compliance with, and enforcement of, Australian sanctions laws.

Consistency and fairness – the ASO strives to be consistent and fair in assessing non-compliance:

- non-compliance is assessed on a case-by-case basis;
- a consistent approach will be taken to assessing cases of non-compliance wherever appropriate.

Transparency and accountability – the ASO takes a structured and consistent approach to assessing compliance matters.

Compliance and enforcement

The ASO exercises discretion to direct resources to instances of sanctions non-compliance in accordance with the graduated risk-based approach. In some circumstances, the ASO may decide not to pursue compliance or enforcement action to deal with a perceived breach of Australian sanctions law. In determining whether or not to proceed with enforcement action, or which enforcement action to prioritise, the ASO will take into account factors such as the severity of the breach and the circumstances surrounding the breach, the interests of and impact on the broader sanctions framework, and Australia’s national interest and foreign policy priorities.

Graduated Risk-Based Approach

A range of options will be considered in relation to sanctions breaches and possible enforcement action, including:

Remedial action	Corrective action	Enforcement Action
<p style="text-align: center;">Low risk</p> <ul style="list-style-type: none"> • Outreach and stakeholder engagement • Informal warning • Assistance to prevent future breaches • Publication of a Guidance Note (if new or emerging issue) 	<p style="text-align: center;">Moderate risk</p> <ul style="list-style-type: none"> • Formal warning • Increased monitoring • Imposition of more restrictive conditions in permits 	<p style="text-align: center;">High risk</p> <ul style="list-style-type: none"> • Refer matter to Australian Federal Police (AFP) or Australian Border Force (ABF) • Investigation and possible prosecution by Commonwealth Director of Public Prosecutions

Outreach

The ASO engages with the community to enhance awareness of sanctions to foster the community's voluntary compliance with Australian sanctions law. The ASO conducts an active outreach program and provides accessible information to facilitate the community's knowledge and understanding. The ASO responds to feedback from the community regarding enhancements to systems, resources and processes.

In accordance with the ASO's graduated risk-based approach to sanctions compliance, the ASO works with the community to identify the causes of non-compliance to prevent future recurrences.

Subject to available resources, the ASO will undertake targeted outreach to particular sectors or groups, or on particular issues, including newly emerging issues. The contact point for requesting targeted outreach activity is DFAT's sanctions portal, and via our email sanctions@dfat.gov.au.

Powers under Australian sanctions laws

The ASO is not an investigative body and does not have investigative powers. The ASO can:

- Request information about an individual or entity from another Commonwealth agency for a purpose directly related to the administration of sanctions laws;
- Compel an individual or entity to produce information to determine if a sanctions law has been or is being complied with;
- Seek a court injunction against an individual or entity on application by the Attorney General to restrain them from conduct that contravenes or may contravene Australian sanctions law; and
- Refer cases to another agency for investigation.

Referrals to enforcement agencies

We can refer sanctions non-compliance matters to agencies with investigative powers if we consider the breach sufficiently serious.

The Australian Border Force (ABF) has powers to investigate sanctions non-compliance matters regarding Australia's border enforcement policies and security.

The Australian Federal Police (AFP) have a broader ability to investigate the array of offences under Australian sanctions laws.

Referrals to other agencies may be considered where appropriate.

Working with other agencies

The ASO works closely with other government regulatory agencies on sanctions compliance issues arising in their areas of expertise. The ASO works with Commonwealth government agencies and co-regulators with the mutual objective of enhancing compliance and preventing non-compliance. These agencies include Defence Export Controls, the ABF, the Australian Transaction Reports and Analysis Centre (AUSTRAC), the AFP, and other Commonwealth and state government stakeholders to ensure effective, coordinated, consistent and efficient compliance and enforcement action.

Due Diligence

Individuals and businesses are responsible for ensuring they understand and comply with Australian sanctions law. The ASO recommends that individuals and businesses check [the DFAT website](#) and seek legal advice if they are planning on undertaking a potentially sanctioned activity.

The sanctions environment and sanctions compliance are complex:

- **The sanctions landscape is constantly changing.** New sanctions are regularly being imposed, existing sanctions lifted or sanctions frameworks changed. The list of designated persons and entities changes from time to time.
- **Sanctions compliance can be complex and challenging.** Factors individuals and businesses need to consider include the specific sanctions laws that apply, the activities of the business, developments in geographic regions or governments in relation to which sanctions have been applied, and the risks of non-compliance.

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- **The consequences of non-compliance can be severe.** Sanctions violations can result in financial penalties, reputational damage, and even criminal prosecution.
- **Other countries may have sanctions frameworks in place which may also impact activities of Australian individuals and businesses in the overseas environment.**

For these reasons the ASO encourages individuals and business to seek independent legal advice to ensure they remain compliant with sanctions laws. Independent legal advice can:

- advise on the sanctions laws that apply to activities and compliance with the latest changes to sanctions laws;
- help individuals and businesses to develop and implement effective sanctions compliance procedures; and
- advise on the risks of non-compliance and possible steps to mitigate those risks.

If an individual or business considers that a proposed activity is prohibited by Australian sanctions laws, application can be made for a sanctions permit through [DFAT's sanctions portal, Pax](#). For further assistance, contact the ASO at sanctions@dfat.gov.au.