

# Adherence to Canadian Regulations Amending the Special Economic Measures (Russia) Regulations

Policy: TAP-PU-006

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## BACKGROUND

### Government guidance on third country processed iron and steel measures and ongoing sanctions – 2023 Amendment

Following Russia's illegal occupation and attempted annexation of Crimea in March 2014, the Canadian government, in tandem with partners and allies, enacted sanctions through the Special Economic Measures (Russia) Regulations (the Regulations) under the Special Economic Measures Act (SEMA). These sanctions impose dealings prohibitions (an effective asset freeze) on designated individuals and entities in Russia and Ukraine supporting or enabling Russia's violation of Ukraine's sovereignty. As per **Reg 3.14 (1)**, it is prohibited for any person in Canada and any Canadian outside Canada to import, purchase or acquire any good referred to in column 1 of Schedule 11 from Russia or from any person in Russia.

The Government of Canada in consultation with the Minister of Foreign Affairs expanded the sanctions against Russia on 2023-03-09 to include the import of Russian aluminum, iron and steel processed in a third country.

This legislation requires public companies carry out a "due diligence" review of their supply chain to determine whether iron and steel purchases are funding Russian Military.

The amendments can be reviewed on the official government website at the following link:

<https://gazette.gc.ca/rp-pr/p2/2023/2023-03-29/html/sor-dors46-eng.html>

The amendments to the Regulations will prohibit the import of aluminum and steel products originating from Russia.

Tempo Aerospace Inc, a Canadian company with a production facility in Toronto, Ontario is committed to sourcing responsibly.

Tempo will perform due diligence by surveying our supply chain.

## REQUIREMENT

Tempo Suppliers are expected to:

- Disclose in writing to Tempo Aerospace if any of the products supplied after 2023-03-09 contain or are suspected of containing iron, steel or aluminum, directly or indirectly from Russian sources. This includes situations where Third Country Processing attempts to circumvent the regulations as currently amended.
- Follow Canadian laws. Where appropriate adopt policies and due diligence management systems to identify, prevent, mitigate and flow down these requirements to their supply-chain.
- Suspend or discontinue engagement with up-stream suppliers after failed attempts at mitigation or remediation.