

'It's clear revenue from Russia's oil sector helps fuel Putin's war against Ukrainians': Ambassador Vasyl Myroshnychenko

Ukraine's Ambassador to Australia has called for the sanctions loophole that has generated \$1.85bn in taxes for the Kremlin's war effort through exports of fuel to Australia to be closed, saying we must "stop financing Russian war crimes".

Mark Dunn and [Jade Gailberger](#)

The sanctions loophole that has generated \$1.85bn in taxes for the Kremlin's war effort through exports of fuel to Australia needs to be closed, Ukraine's Ambassador to Australia says.

The Herald Sun on Tuesday revealed Moscow's massive tax haul from more than \$3.7bn in fuel sales to Australia through several Indian refineries that use Russian crude oil in their production.

While Australia and many other Western nations ban Russian oil imports, third-party nations such as India, China and Turkey that use Russian crude as feedstock in the refining process are able to recategorise the fuel as "substantially transformed" and legally sell it.

"It is clear that revenue from Russia's oil sector helps fuel Putin's war against Ukrainians, including the largest ever bombing attacks on Kyiv this week. Such attacks have killed some 12,000 civilians to date," Ambassador Vasyl Myroshnychenko said.

"Australia has rightly adopted arrangements and sanctions against the importation of Russian oil products. It is important that loopholes – such as laundering those products through third party countries – be closed."

Isaac Levi, an analyst at the Helsinki-based Centre for Research on Energy and Clean Air which has tracked the tainted trade, said: "By allowing the refining loophole to exist, Australia and other sanctioning countries are financing the Kremlin's war chest."

The Australian Federation of Ukrainian Organisations also called on the Albanese government to act on the issue that has seen Russia sell, on one estimate, \$2.7trn in fuels since its invasion of Ukraine in 2022, while the international community has donated \$1.3trn in military and humanitarian aide to Kyiv.

"Our petrol dollars are funding Putin's war," AFUO chair Kateryna Argyrou said.

"It's time to clean up the supply chain and ban fuel from any refinery that processes Russian crude oil.

"Let's stop undermining the Australian government's support for Ukraine. We've sent tanks – now let's stop financing Russian war crimes."

Dr Anton Moiseienko, senior lecturer in law at the Australian National University, said it was "past time" for Australia, the EU, the US and UK to look at the price cap regime.

Dr Moiseienko said action needed to be taken "sooner rather than later" because Russia's significant revenue from energy supply contradicted the objective of constricting its access to money.

"The reality is Australia won't do more unilaterally," he said. "It will only do more, if at all, as a member of this broader sanctioning coalition.

"One solution could be for places like Australia and others to actually require certification that demonstrates that refined petroleum that they're buying does not come from Russian crude oil or comes from Russian crude oil that was sold below the price cap."

Other proposals include the payments being held in accounts that Russia can only use for specific purposes such as buying humanitarian goods.

Dr Moiseienko said a bill in the US Senate proposing 500 per cent tariffs on countries that buy Russian oil and other products was "unlikely to happen".

But another option was secondary sanctions on companies that purchase Russian crude oil and then refine it.

The Albanese government did not respond when asked if it would introduce a complete ban on imports from refineries that rely on Russian crude oil, or consider imposing heavy tariffs.