

Brussels, 3 July 2025 (OR. en)

11044/25

Interinstitutional File: 2025/0180 (COD)

LIMITE

ENER 335 POLCOM 145 CODEC 931

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on phasing out Russian natural gas imports, improving monitoring of potential energy dependencies and amending Regulation (EU) 2017/1938

In view of the Working Party on Energy on 8 July, delegations will find in the Annex a first revision (REV1) of the above-mentioned proposal.

Compared to the Commission's proposal, new texts are marked in **bold** and deletions are marked in strikethrough.

2025/0180 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on phasing out Russian natural gas imports, improving monitoring of potential energy dependencies and amending Regulation (EU) 2017/1938

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 194(2) and 207 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C, ...

² OJ C, ...

- (1) The unlawful full-scale invasion of Ukraine by the Russian Federation in February 2022 revealed the dramatic consequences of the existing dependencies on Russian natural gas on markets and security. In their Versailles Declaration of 11 March 2022, Heads of States therefore agreed to gradually decrease and eventually fully remove the dependency on Russian energy. The REPowerEU Communication of 8 March 2022³ and the REPowerEU Plan of 18 May 2022⁴ proposed concrete measures to allow the full diversification away from Russian energy imports in a safe, affordable and sustainable manner. Significant progress in the process to diversify gas supplies away from Russia was achieved since then. As the remaining volumes of Russian natural gas entering the Union are still significant, the Commission announced in its REPower Roadmap towards ending Russian energy imports of 6 May 2025 a legislative proposal to fully phase out Russian gas imports and to improve the existing framework for energy dependencies.
- (2) Multiple examples of unannounced and unjustified supply reductions and interruptions already before the full-scale military invasion of Ukraine, and the weaponisation of energy by the Russian Federation since then, show that the Russian Federation systematically used existing dependencies on Russian gas supplies to harm the Union's economy. This leads to serious negative effects on Member States and the Union's economic security in general. The Russian Federation and its energy companies can therefore no longer be considered reliable energy trading partners by the Union.

³ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU: Joint European Action for more affordable, secure and sustainable energy, COM(2022) 108 final, 8 March 2022.

⁴ Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU Plan, COM(2022) 230 final, 18 May 2022.

(3) In January 2006, Russia stopped its natural gas supplies to Bulgaria and other countries in South East Europe in the middle of a cold spell, driving up prices increases and causing or threatening harm to citizens. On 6 January 2009, Russia again fully cut off gas transiting through Ukraine, affecting 18 Member States, especially those in Central and Eastern Europe. The supply disruption led to serious disturbances of gas markets in the region and the whole of the Union. Some Member States had zero natural gas flows for nearly 14 days, forcing lasting shutdowns of heating in schools and factories, and requiring them to declare the state of emergency. In 2014, the Russian Federation invaded and illegally annexed Crimea, ceased Ukrainian gas production assets in Crimea and reduced gas supplies to several Member States which had announced to supply Ukraine with gas, leading to market disturbances and price increases and harming economic security. In the past, Russia's State-controlled monopoly exporter Gazprom has been the subject to several Commission investigations for a possible breach of the EU competition rules and has subsequently modified its conduct on the market to address the Commission's competition concerns.⁵ Gazprom. The competition issues at stake concerned, in several cases, so-called 'territorial restrictions' in Gazprom's gas supply contracts, prohibiting the resale of gas outside the own country⁶, as well as evidence that Gazprom was engaged in unfair pricing practices and made energy supplies dependent on political concessions from participation in Russian pipeline projects or acquiring control over Union energy assets.

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see Commission Decision C(2018) 3106 final of 24 May 2018 relating to a proceeding under Article 102 of the Treaty on the Functioning of the European Union (TFEU) and Article 54 of the EEA Agreement, Case AT.39816 – Upstream Gas Supplies in Central and Eastern Europe;

https://ec.europa.eu/competition/antitrust/cases/dec_docs/39816/39816_10148_3.pdf.
 See for the competition investigations concerning territorial restrictions between 2003 and 2005 see:
 ec.europa.eu/commission/presscorner/detail/en/ip_05_710;
 ec.europa.eu/commission/presscorner/detail/en/ip_05_195;
 for the investigation in the Gazprom II case, see Commission Decision C(2018) 3106 final of 24 May 2018
 relating to a proceeding under Article 102 of the Treaty on the Functioning of the European Union (TFEU)
 and Article 54 of the EEA Agreement, Case AT.39816 – Upstream Gas Supplies in Central and Eastern

Europe.



- (4) Russia's unprovoked and unjustified war against Ukraine since February 2022 and subsequent weaponised reductions of gas supplies in conjunction with the manipulation of the markets through intentional disruptions of gas flows have laid bare vulnerabilities and dependencies in the Union and its Member States, with the clear potential of a direct and serious impact on the functioning of the Union gas market, the Union's economy and its essential security interests, as well as direct harm to Union citizens because energy supply disruptions can harm citizens' health or life. Evidence shows that the State-controlled company Gazprom intentionally manipulated the Union's energy markets in order to drive up energy prices. Large underground storages in the Union controlled by Gazprom were left at an unprecedent low level, and Russian companies reduced sales at Union gas hubs⁷ and fully discontinued the use of their own sales platform before the invasion, affecting short-term markets and aggravating the already tight supply situation after Russia's unlawful invasion of Ukraine. As of March 2022, Russia systematically halted or reduced deliveries of natural gas to Member States, leading to significant disturbances on the Union gas market. This affected notably the supplies to the Union via the Yamal pipeline, the supplies to Finland as well as the Nord Stream 1 pipeline, where Gazprom first reduced flows and eventually shut supplies via the pipeline entirely.
- (5) Russia's weaponisation of gas supply and market manipulation through intentional disruptions of gas flows led to skyrocketing energy prices in the Union, reaching unprecedented levels, up to eight times above the average of previous years, in 2022. The resulting need to find alternative gas supply sources, to change supply routes, to fill storages for the winter, and to find solutions for congestion problems in the Union's gas infrastructure contributed to high price volatility and the unprecedented price hikes in 2022.

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ACER "European gas market trends and price drivers 2023 - Market Monitoring Report" (para. 28).

- (6) The exceptionally high gas prices translated into high electricity prices and price increases for other energy products, leading to sustained high inflation. A deep economic crisis with negative growth rates in many Member States, caused by the high energy prices, endangered the economy of the Union, undermined consumer purchasing power and raised the cost of manufacturing, particularly in energy, leading to risks for social cohesion and stability, and even to human life or health. The supply interruptions also led to very seriously problems for the security of energy supply in the Union and forced eleven Member States to declare an energy crisis level under Regulation (EU) 2017/1938 of the European Parliament and of the Council⁸. Benefitting from the Union's dependency during that crisis, Russia's manipulations of the market allowed it to achieve record-high profits from remaining energy trade with Europe, with revenues from gas imports accounting still for EUR 15bn in 2024. Those revenues could be used to finance further economic attacks against the Union, undermining economic security. They could also be used to finance the war of aggression against the Ukraine which constitutes a major threat to political and economic stability in Europe.
- (7) The recent crisis provided evidence that trustful trade relations with partners supplying energy products are crucial to preserve market stability, to protect human life and health as well as the essential security interests of the Union, not the least because the Union depends to a large extent on energy imports from third countries. Maintaining energy supplies from Russia would expose the Union to continued economic and security risks; it would therefore not increase but decrease its supply security. Even dependencies on smaller import volumes of Russian gas can, if abused by Russia, significantly distort the price dynamic, even if just temporarily, and disrupt energy markets, especially in those regions which are still significantly reliant on imports from Russia. Taking into account the long standing and consistent pattern of market manipulations and supply disruptions, and the fact that the Russian government has consistently used gas trade as a weapon to achieve policy instead of trade goals, it is therefore appropriate to take measures to address the continued vulnerability of the Union resulting from natural gas imports both via pipelines and liquified natural gas (LNG) with the Russian Federation.

⁸

Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 280, 28.10.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/1938/oj).

(8) The restrictions on international transactions provided for in Articles 3 and 5 of this Regulation are consistent with the Union's external action in other areas, as required by Article 21(3) of the Treaty on European Union (TEU). The state of relations between the Union and the Russian Federation has greatly deteriorated in recent years and particularly since 2022. That deterioration of relations is due to the Russian Federation's blatant disregard for international law and, in particular, its unprovoked and unjustified war of aggression against Ukraine. Since July 2014, the Union has progressively imposed restrictive measures on trade with the Russian Federation in response to the Russian Federation's actions against Ukraine. The Union is allowed, by virtue of the exceptions that apply under the Agreement Establishing the World Trade Organization, and in particular Article XXI of the General Agreement on Tariffs and Trade 1994 (security exceptions) and analogous exceptions under the Agreement on Partnership and Cooperation with the Russian Federation, not to accord to goods imported from the Russian Federation the advantages granted to like products imported from other countries (most-favoured-nation treatment). Therefore, the Union is not prevented from imposing prohibitions or restrictions on the import of goods of the territory of the Russian Federation, if the Union considers such measures, taken in time of the existing emergency in international relations between the Union and the Russian Federation, to be necessary for the protection of the Union's essential security interests.

(9) Diversifying LNG import capacity is essential for strengthening and maintaining energy security within the Union. A significant portion of that capacity is controlled by Russian companies via long-term contracts of more than 10 years, creating a risk that the capacity rights reserved in those contracts could be used to obstruct imports from alternative sources through capacity hoarding practices. Similar practices could make Union energy markets subject to the prolonged influence of Russian companies, which have previously demonstrated a significant capacity to distort markets in the Union, using existing dependencies. Past instances of gas storage hoarding have further led to substantial market distortions, increased prices, and threats to critical security measures⁹. Given the essential role that LNG is expected to play in securing alternative energy supplies in the it is essential to complement the gas import ban with a prohibition on providing LNG terminal services to Russian entities. To assist Member States in ending their dependency on Russian gas supplies, and to ensure the effective delivery of LNG imports from alternative sources, it is important to avoid that the necessary import infrastructure can be blocked by Russian customers of LNG terminal services. The provision of long-term LNG terminal services to entities from Russia or controlled by Russian should be therefore prohibited as of 1 January 2026. Those provided under a contract concluded before 17 June 2025, should be prohibited as of 1 January 2028. This should enable the reallocation of terminal capacity to alternative LNG suppliers and strengthen the resilience of the energy market in the Union

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See Assessment of Impact, page 4.

(10)The Commission has carefully assessed the impact on the Union and on its Member States of a possible prohibition of Russian imports of natural gas and of the provision of LNG terminal services to Russian entities. In fact, preparatory work and several detailed analyses of the consequences of a total phase out of Russian gas have been conducted and published since 2022¹⁰, and the Commission could also draw upon a multitude of consultations with stakeholders, external experts and agencies, and studies on the effects of the phase out of Russian gas. The Commission's analysis showed that a phase out of Russian natural gas imports, if introduced in a stepwise, coordinated and well-prepared manner in a spirit of solidarity, is likely to have limited impact on energy prices in the Union, and that it will enhance and not endanger the Union's security of supply, due to the exit of an unreliable trading partner from the Union markets. As set out in the REPower Roadmap, the implementation of the REPowerEU Plan has already reduced supply dependencies from Russia, for instance by measures to reduce gas demand or to accelerate the deployment of renewable energy sources, as well as active support to diversification of energy supplies and the increase of the EU bargaining power via Joint gas purchasing. The Assessment of Impact also showed that upfront coordination of diversification policies can avoid harmful effects on prices or supplies¹¹.

See, for example, Commission Staff Working Document Implementing the REPower EU Action Plan: Investment Needs, Hydrogen Accelerator and Achieving the Bio-Methane Targets, SWD(2022) 230 final, accompanying the Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, REPowerEU Plan, COM(2022) 230 final, 18 May 2022.
 See Accelerator and Social Committee and the Committee of the Regions, REPowerEU

¹¹ See Assessment of Impacts, page 35.

- (11)The proposed Regulation is fully compatible with the Union's strategy to reduce its reliance on fossil fuels imports by enhancing decarbonisation and rapidly expanding domestically produced clean energy. As set out in the REPower Roadmap, the implementation of the REPowerEU Plan has already resulted in substantial gas savings of more than 60 billion cubic meters annually in gas imports between 2022 and 2024, allowing the Union to reduce supply dependencies from Russia. This could be achieved by measures to reduce gas demand or to accelerate the green transition by an accelerated deployment of wind and solar generation capacity, which significantly increased the share of renewables in the energy mix, as well as by active support to diversification of energy supplies and the increase of the EU bargaining power via joint gas purchasing. Moreover, the full implementation of the energy transition, the recent Action Plan for Affordable Energy and other measures, notably investments in the production of low-carbon alternatives for energy intensive products, such as fertilisers, are expected to replace up to 100 bcm of natural gas by 2030. This will facilitate the phase out of gas imports from the Russian Federation.
- (12) In line with the Versailles Declaration and the REPowerEU Communication, a large number of gas importers have already terminated or significantly reduced their gas supplies from Russia. As set out in the Assessment of Impacts, the remaining gas volumes under *existing* supply contracts can, be phased out without significant economic impact or risks for security of supply, due to the availability of sufficient alternative suppliers on the gas world market, a well-interconnected Union gas market and the availability of sufficient import infrastructure¹².
- (13) Short-term contracts, that is contracts on individual or multiple natural gas supplies of a duration of less than one year, concern smaller volumes than the large multi-year supply contracts importers hold with Russian companies. These existing contracts will in any event be close to expiration when this Regulation will enter into force. Accordingly, the risk for economic security resulting from existing short term-contracts appears to be low. It is therefore appropriate to exempt existing short-term contracts from the immediate application of the import allowing for a transition phase until 17 June 2026.

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See Assessment of Impact, pages 15 to 36.

- (14) An exemption from the prohibition of gas imports as of 1 January 2026 should also be granted for existing long term supply contracts. Indeed, importers holding long-term contracts will usually need more time to find alternative supply routes and sources than short-term contract holders, also as long-term contracts usually concern significantly larger volumes over time than short-term contracts. A transition time should therefore be introduced to give holders of long-term contracts sufficient time to diversify their supplies in an orderly manner.
- (15) Some landlocked countries which are currently still supplied under existing long-term supply contracts for Russian pipeline gas are specifically affected by recent changes of supply routes from the Russian Federation, due to limited or no alternative routes for the transport of the contracted gas to them. To remedy the situation, suppliers from other Member States currently ensure the delivery of pipeline gas under short-term supply contracts with suppliers from the Russian Federation via uncongested interconnection points. Due to this very specific situation, the transition time necessary to find new suppliers should also apply to those short-term supply contracts with suppliers from the Russian Federation which serve to supply landlock countries affected by changes of supply routes for Russian gas.
- While it appears justified to exempt existing "legacy" contracts from the immediate (16)application, not all contracts entered into before the entry into force of this Regulation should benefit from such exemption. Indeed, there may be an incentive by for Russian suppliers to use the time between the publication of this proposal until the entry into force of the ban to increase current supplies, by concluding new contracts, increasing volumes by changing existing contracts or using flexibilities under existing contracts. In order to ensure that imports from Russia do not increase but decrease as a result of the proposed Regulation, measures should be included in the Regulation to avoid a "rush" for new Russian gas imports in the time between the adoption of this proposal and the entry into force of the ban. Indeed, the commitment from Heads of State to phase out Russian gas supplies was already made in March 2022; it was renewed in the REPowerEU Strategy, the REPowerEU Plan and the REPowerEU Roadmap. At the latest with the publication of the proposal for this Regulation, it is no longer appropriate consider contracts concluded after that date as "legacy" contracts. Contracts concluded after 17 June 2025 should therefore not benefit from the exceptional transition provisions for existing short and long-term contracts.

TREE.2.B

- (17) In order to avoid that import volumes provided for in existing supply contracts are increased and not decreased, amendments to existing supply contracts should be considered as new contracts for the purposes of this Regulation, and increases of import volumes by using contractual flexibilities should not benefit from the transition period.
- (18) This Regulation creates a clear legal prohibition to import Russian natural gas, constituting a sovereign act of the Union beyond the control of gas importers and rendering the performance of natural gas imports from Russia unlawful, with direct legal effect and without any discretion for Member States concerning its application.
- (19) Unlike other goods, natural gas is a homogeneous commodity which is traded in large volumes and often resold multiple times between traders at wholesale level. Taking into account the particular complexity of tracing the origin of natural gas, and bearing in mind that Russian suppliers might seek to circumvent this Regulation, for example by sales via intermediaries, via transshipments or transport through other countries, this Regulation should provide for an effective framework to establish the actual origin and the point of export of natural gas imported into the Union.
- (20) In particular, importers of natural gas should be obliged to provide customs authorities with all information necessary to establish the origin and the point of export of natural gas imported into the Union and to decide whether the imported gas falls under the general prohibition or one of its exceptions. As the contractual conditions determining the elements relevant for the assessment of the customs authorities are often complex, customs authorities should be given the power to ask importers for detailed contract information, including entire supply contracts, excluding price information, where this is necessary to understand the context of certain clauses or references to other contractual provisions. The Regulation should include rules to ensure an effective protection of business secrets of concerned undertakings.

- (21)In line with the principle of sincere cooperation, C customs authorities should cooperate with regulatory authorities, competent authorities, the Agency for the Cooperation of Energy Regulators (ACER) and the Commission to implement the provisions of this Regulation and exchange relevant information, notably when it comes to the assessment of exemptions allowing imports of Russian natural gas after 1.1.2026. Customs authorities, regulatory authorities, competent authorities and ACER should have the necessary tools and databases in place to ensure that relevant information can be exchanged between national authorities and authorities in different Member States where necessary. ACER should contribute with its expertise to the process of monitoring the implementation. To facilitate the creation of the necessary interoperable joint information systems, the Commission and Member States may explore possibilities to make use of budget under the Internal Security Fund (ISF). Customs authorities should notify update regulatory authorities, the national competent authority and the Commission on a monthly basis regarding on the key elements concerning the development of imports of Russian gas (such as quantities imported under long-term or short-term contracts, entry points, or contract partners).
- (22) Russia is a major gas exporter and has not played any noticeable role as gas transit country in the past. This is due to several factors, such as the lack of regasification infrastructure, the organisation of gas trade in Russia via a pipeline export monopoly, business models of Russian gas companies which are not based on organising transits, or Russia's geographical location. Therefore, imports of natural gas arriving via interconnection points between the Russian Federation and the Union are usually originating in, or exported directly or indirectly from the Russian Federation. The same consideration applies to gas imported via interconnection points between the Union and Serbia, as Serbia can, for technical reasons, only export gas of Russian origin towards the Union. Therefore, and taking into account incentives of Russian suppliers to circumvent the import ban, customs authorities should, where gas is imported via Russian or Serbian entry points, require clear and unambiguous equivocal evidence to prove the non-Russian origin or the point of export of the gas. The submitted documents should allow the traceability of the imported gas up to the place of production.

- (23) Experience with the announced phase out of **Russian** gas supplies via Ukraine has shown that good preparation and coordination in a spirit of solidarity can effectively avoid market disruptions or security of supply problems potentially resulting from changing gas suppliers. To prepare for the full phase out of Russian gas in 2028 in a coordinated manner and to give the market sufficient time to anticipate the changes involved without risk for security of gas supply or a significant impact on energy prices, Member States should prepare national diversification plans and present them by 1 March 2026. Those plans should describe intended measures at national or regional level to reduce demand, foster renewable energy production and ensure alternative supplies, as well as possible technical or regulatory barriers which may complicate the diversification plans, with the possibility to issue recommendations suggesting adaptations where necessary.
- (24) In their Versailles Declaration, the Heads of Member States committed not only to phase out natural gas supplies from Russia, but also other energy supplies, notably oil supplies. While restrictive measures to ensure the phase out of oil imports from Russia are already in place, and oil imports have decreased significantly, a further phase out of Russian oil may require specific preparatory steps and coordination with neighbours. Member States should therefore prepare national diversification plans also for oil, with a possibility for the Commission to provide recommendations on those plans.

- (25)Experience during the gas crisis of 2022 and 2023 has shown that showed that comprehensive information on the supply situation and possible supply dependencies is crucial to monitor gas supply in the Union. Therefore importers of Russian gas making use of the exemptions laid down in this Regulation should submit to the Commission all information which is necessary to effectively evaluate possible risks for gas trade. That information should include key parameters, or even whole text parts, of the relevant gas supply contracts, excluding price information, where this is necessary to understand the context of certain clauses or references to other provisions in the contract. When monitoring gas supply in the Union, the Commission should also take into account information on imports provided by customs authorities and information included in national diversification plans. The Commission should regularly inform the Gas Coordination Group established by Regulation (EU) 2017/1938 about the phase-out process at the Union level and submit an annual report on the Russian gas phase-out, which may be accompanied by specific Union recommendations and actions to accelerate the phase-out process.
- (26) Member States and Union should cooperate closely in the implementation of this Regulation. With a view to the recent practice of the Russian Federation to unilaterally change agreed court and arbitration procedures in a manner not compatible with international customary law or bilateral investment treaties entered between Member States and Russia, it follows from international law that affected companies and Member States cannot be held liable for any judgments, arbitral awards, including investor-State arbitral awards, or other judicial decisions adopted under procedures which are illegal under international customary law or under a bilateral investment treaty, and against which the person or Member State concerned does not have effective access to the remedies under the relevant jurisdiction. With respect to financial responsibilities concerning possible investor-to-state dispute settlement resolution cases, reference is made, to Regulation (EU) 912/2014¹³, where applicable.

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TREE.2.B



Regulation (EU) No 912/2014 of the European Parliament and of the Council of 23 July 2014 establishing a framework for managing financial responsibility linked to investor-to-state dispute settlement tribunals established by international agreements to which the European Union is party, *OJ L 257, 28.8.2014, p. 121*.

- (27) The Union has created a robust legal framework to ensure security of gas supply at all times, and to deal with possible supply crises in a coordinated manner, including obligations on Member States to provide for effective and operational solidarity to neighbours in need of gas. The Commission should constantly monitor the development of market risks for gas supply resulting from gas trade with Russia at Union, regional and Member State level. In case of sudden and significant developments, which seriously threaten the security of supply of one or more Member States, it is appropriate to empower the Commission to take the necessary emergency measures by authorising one or more Member States not to apply the import prohibitions concerning natural gas or LNG imports set out in this Regulation. Such an authorisation should be limited in time and the Commission implementing decision may impose certain additional conditions, to ensure that any suspension is strictly limited to addressing the threat. The Commission should closely monitor the application of any such temporary authorisation.
- (28) The proposed measures fully reflect the principle of energy solidarity. Indeed, the level of exposure to Russian gas imports differs between Member States, and many Member States have already taken measures to phase out Russian gas. The proposal for this Regulation will ensure an EU-wide harmonised approach to the phase out of Russian gas, preserving solidarity between Member States.
- (29) Since the objectives of this Regulation relating to the monitoring of possible gas dependencies cannot be sufficiently achieved by the Member States in a coordinated manner and without risk of market fragmentation, but can be better and more efficiently achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.
- (30) In view of the importance for the Union to phase out further economic dependence of the Union on gas imports from the Russian Federation without any delay, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union,

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation provides a framework for effectively removing the Union's exposure to the significant risks for trade and security, resulting from gas trade with the Russian Federation by laying down:

- (a) a stepwise prohibition of imports of natural gas from the Russian Federation and of the provision of LNG terminal services;
- (b) rules to effectively implement and monitor that prohibition as well as the phase out of oil imports from Russia;
- (c) provisions to better assess the security of energy supplies in the Union.

Definitions

For the purpose of this Regulation, the following definitions shall apply:

- (1) 'natural gas' means natural gas as defined in Article 2, point (1), of Directive (EU) 2024/1788 of the European Parliament and of the Council¹⁴ and as referred to in Combined Nomenclature (CN) codes 2711 11 00 and 2711 21 00;
- (2) 'LNG' means liquefied natural gas as referred to in CN code 2711 11 00;
- (3) 'natural gas in gaseous state' means natural gas as referred to in CN code 2711 21 00;
- (4) 'long-term supply contract' means a contract for the supply of natural gas, excluding a natural gas derivative, exceeding one year;
- (5) 'short-term supply contract' means a contract for the supply of natural gas, excluding a natural gas derivative, not exceeding one year;
- (6) 'landlocked country' means a country that is entirely surrounded by land and has not direct access to the sea;
- (7) 'importer' means a natural or legal person who has the power to determine and has determined that natural gas from a third country is to be brought into the customs territory of or otherwise placed on the Union market;
- (8) 'customs authority' means a customs authority as defined in Article 5, point (1), of Regulation (EU) No 952/2013 of the European Parliament and of the Council¹⁵;

TREE.2.B



¹⁴

Directive (EU) 2024/1788 of the European Parliament and of the Council of 13 June 2024 on common rules for the internal markets for renewable gas, natural gas and hydrogen, amending Directive (EU) 2023/1791 and repealing Directive 2009/73/EC (OJ L, 2024/1788, 15.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1788/oj). Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down

¹⁵ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/952/oj).

- (9) 'competent authority' means a competent authority as defined in Article 2, point (7), of Regulation (EU) 2017/1938 of the European Parliament and of the Council¹⁶;
- (10) 'regulatory authority' means a regulatory authority designated in accordance with Article 76(1) of Directive (EU) 2024/1788;
- (11) 'control' means control as defined in Article 2, point (55), of Directive (EU) 2024/1788;
- (12) 'long-term LNG terminal services' means services provided by LNG system operators to customers, in particular offloading, storage, sending out, berthing (loading and unloading), regassification, backhaul liquefaction, truck loading, bunkering of LNG, and including ancillary services and temporary storage necessary for the regasification process and subsequent delivery to the transmission system under contracts with a duration of more than one year;
- (13) 'interconnection point' means an interconnection point as defined in Article 2, point
 (63), of Directive (EU) 2024/1788;
- (14) 'entry point' means an entry point as defined in Article 2, point (61), of Directive (EU) 2024/1788;
- (15) 'virtual trading point' means virtual trading point as defined in Article 2, point (59), of Directive (EU) 2024/1788;
- (16) 'contracted quantities' means the quantities of natural gas that the buyer or the importer is obligated to purchase and the seller or the exporter is obligated to provide, as specified in the supply contract, excluding volumes arising from adjustments to the contract, such as make-up quantities, shortfall recoveries, or other volumetric modifications under the terms of the contract; for long-term supply contracts, it means the annual contracted quantities;

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Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010 (OJ L 280, 28.10.2017, p. 1, ELI: http://data.europa.eu/eli/reg/2017/1938/oj).

- (17) 'make-up quantities' mean the volumes of natural gas which a purchaser or the importer is entitled or obligated to take delivery of and pay for in subsequent periods, in compliance with minimum take-or-pay requirements and in order to compensate for any shortfall in the quantities contracted but not taken in prior periods, as provided for in a long-term supply contract;
- (18) 'delivery schedule' means the timetable or plan agreed between the parties to a gas supply contract, specifying the quantities of gas to be delivered by the seller or the exporter and received by the buyer or the importer over defined time intervals, including the timing, location, and conditions of delivery, as set forth in a supply contract or any related operational procedures;
- (19) 'nomination' means a nomination as defined in Article 2, point (8), of Regulation (EU)
 2024/1789 of the European Parliament and of the Council¹⁷;
- (20) 'oil' means crude oil, natural gas liquids, refinery feedstocks, additives and oxygenates and other hydrocarbons and oil products falling under CN codes 2709 and 2710.

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Regulation (EU) 2024/1789 of the European Parliament and of the Council of 13 June 2024 on the internal markets for renewable gas, natural gas and hydrogen, amending Regulations (EU) No 1227/2011, (EU) 2017/1938, (EU) 2019/942 and (EU) 2022/869 and Decision (EU) 2017/684 and repealing Regulation (EC) No 715/2009 (OJ L, 2024/1789, 15.7.2024, ELI: <u>http://data.europa.eu/eli/reg/2024/1789/oj</u>); ENTSOG, <u>Security of Supply Simulation | ENTSOG</u>.

CHAPTER II

STEPWISE BAN OF NATURAL GAS IMPORTS FROM THE RUSSIAN FEDERATION

Article 3

Prohibition of natural gas imports from the Russian Federation

- The import of natural gas in gaseous state via pipelines, which originates in or is exported directly or indirectly from the Russian Federation, shall be prohibited as of [1 January 2026] unless one of the exceptions in Article 4 applies.
- The import of LNG, which originates in or is exported directly or indirectly from the Russian Federation, shall be prohibited as of [1 January 2026], unless one of the exceptions in Article 4 applies.

Article 4

Transition phase for existing supply contracts

- Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a short-term supply contract concluded before 17 June 2025, and not amended thereafter, Article 3 shall apply as of 17 June 2026.
- 2. Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are:

- (a) executed under a short-term supply contract with delivery to an interconnection point with a landlocked country and,
- (b) that a long-term supply contract with delivery at the virtual trading point of that landlocked country for the import of natural gas in gaseous state via pipelines exists, which originates in or is exported directly or indirectly from the Russian Federation, and which was concluded before 17 June 2025 and not amended thereafter,

Article 3 shall apply as of 1 January 2028.

- 3. Where the importer can demonstrate to customs authorities that imports of natural gas referred to in Article 3 are executed under a long-term supply contract concluded before 17 June 2025, and not amended thereafter, Article 3 shall apply as of 1 January 2028.
- 4. The quantities of imports made in accordance with paragraphs 1, 2 and 3–2 shall not exceed the contracted quantities.

Article 5

Prohibition to provide LNG long-term terminal services to Russian customers

The provision of long-term LNG terminal services in the EU to entities established in the Russian Federation or entities controlled by natural persons or legal entities established in the Russian Federation shall be prohibited as of [1 January 2026].

Transition phase for LNG terminal services under existing contracts

Where the provider of long-term LNG terminal services can demonstrate to customs authorities that those services are provided under a contract concluded before 17 June 2025 and not amended thereafter, Article 5 shall apply as of 1 January 2028.

CHAPTER III

SUBMISSION AND EXCHANGE OF RELEVANT INFORMATION

Article 7

Submission of relevant information by importers

1. Importers of natural gas shall provide customs authorities with all relevant information necessary to implement Articles 3 and 4, in particular appropriate evidence to verify whether the natural gas originates in or is exported directly or indirectly from the Russian Federation.

For the purposes of application of Article 4, importers of natural gas shall provide customs authorities and other authorities involved in the monitoring pursuant to Article 9 and 10, with appropriate evidence to assess whether the conditions set out in that Article are met.

- 2. The information referred to in paragraph 1 shall include at least all of the following:
- (a) the date of the conclusion of the gas supply contract;
- (b) the duration of the gas supply contract;

- (c) the contracted gas quantities, including all upward or downward flexibility rights;
- (d) the identity of the parties to the gas supply contract, including, for parties registered in the EU, the <u>Economic Operator Registration and Identification</u> (EORI) number;
- (e) the producer of the gas and the country of production, and, as appropriate, the country where the gas was further processed;
- (f) for LNG imports, the port of first loading;
- (g) the delivery points, including possible flexibilities concerning the delivery point.
- (h) any modification of the gas supply contract, indicating content and date of the modification, with the exception of modifications which relate solely to the gas price;
- 3. Customs authorities or other authorities involved in the monitoring pursuant to Article 9 and 10, may request more detailed information, except price information, if the required information is necessary to assess whether the conditions set out in Article 3 and 4 are fulfilled. Customs authorities may, in particular, require importers to submit the text of certain provisions of the gas supply contract in full or the text of entire gas supply contract, except price information, especially where certain contractual provisions are interrelated, or where the full knowledge of the formulation of the contractual provisions is crucial for the assessment. In case customs authorities consider that the evidence provided is not conclusive, they may refuse the release for free circulation of the goods.
- 4. Natural gas entering to the Union through the following interconnection points shall be presumed to be exported directly or indirectly from the Russian Federation, unless the importer can provide unambiguous evidence to customs authorities that the imported natural gas originates in a country other than the Russian Federation **and that** has been in transit through the Russian Federation.
- (a) Imatra (FI/RU);
- (b) Narva (EE/RU);

- (c) Värska (EE/RU);
- (d) Luhamaa (LV/RU);
- (e) Šakiai (LT/RU);
- (f) Kotlovka (LT/BY);
- (g) Kondratki (PL/BY);
- (h) Wysokoje (PL/BY);
- (i) Tieterowka (PL/BY);
- (j) Kobryń (PL/BY);
- (k) Greifswald (DE/RU);
- (l) Strandzha 2 (BG)/Malkoclar (TR) TurkStream
- (m) Kiskundorozsma-2 (HU) / Horgos (RS)
- (n) Kiskundorozsma (HU/RS)
- (o) Kireevo (BG) / Zaychar (RS)
- (p) Kalotina (BG)/ Dimitrovgrad (RS)

Submission of relevant information by providers of LNG terminal services

Providers of LNG terminal services to customers established in the Russian Federation or controlled by natural persons or legal entities established in the Russian Federation shall provide customs authorities with relevant information for the implementation of Articles 5 and 6.

Effective monitoring

Customs authorities, and, where relevant, competent authorities and regulatory authorities and the Agency for the Cooperation of Energy Regulators (ACER), shall ensure effective monitoring of the provisions in Chapter II, if necessary by making full use of their enforcement powers, and cooperate closely with relevant national authorities, authorities from other Member States, ACER or the Commission.

Article 10

Exchange of information

Customs authorities shall exchange the information received from natural gas importers with regulatory authorities, competent authorities, ACER and the Commission to the extent necessary to ensure effective assessment whether the conditions set out in Articles 3 to 6 of this Regulation are fulfilled. Customs authorities shall update regulatory authorities, the competent authority and the Commission, on a monthly basis, on the key elements concerning the development of imports of Russian gas, such as quantities imported under long-term or short-term contracts, entry points, or contract partners. Customs authorities from different Member States shall exchange information received from natural gas importers to the extent necessary, and cooperate with each other in order to avoid circumvention. They shall make use of existing tools and databases allowing that relevant information can be effectively exchanged between national authorities in their Member State and authorities in other Member States, or put such tools in place where necessary.

By 31 August 2026 and 31 August 2027, ACER shall, based on the data received under this Regulation and own information, publish a report providing an overview of contracts on the supply of gas originating in or directly or indirectly exported from Russia, and assessing the impact of diversification on energy markets.

TREE.2.B

The Commission and ACER shall share relevant information on contracts on the import of Russian gas in their possession with customs authorities where appropriate to facilitate the enforcement of this Regulation.

CHAPTER IV

NATIONAL DIVERSIFICATION PLANS

Article 11

National diversification plans for natural gas

1. Member States shall establish a diversification plan describing measures, milestones and potential barriers to diversify their gas supplies, to discontinue all imports of natural gas which originates in or is exported directly or indirectly from the Russian Federation within the deadline for the full prohibition of Russian imports on 1 January 2028.

The obligation referred to in the first subparagraph shall not apply where Member States can demonstrate to the Commission, in particular on the basis of information provided pursuant to Article 14(6) of Regulation (EU) 2017/1938, that they do not receive natural gas which originates in or is exported directly or indirectly from the Russian Federation.

- 2. The national diversification plan for natural gas shall include all the following:
- (a) available information on the volume of imports of natural gas which originates in or is exported directly or indirectly from the Russian Federation under existing supply contracts, as well as on LNG terminal services contracted by natural or legal persons established in the Russian Federation, where applicable;

- (b) a clear description of measures in place and planned at national level to replace natural gas which originates in or is exported directly or indirectly from the Russian Federation, including the quantities expected to be phased out, milestones and timeline of implementation and, insofar as available, envisaged options for alternative supplies and supply routes. Such measures may notably include the use of the Aggregate EU Platform pursuant to Article 43 of Directive (EU) 2024/718, support measures for diversification efforts of energy companies, cooperation in regional groups such as the CESEC High-Level Group, identifying alternatives to natural gas imports via electrification, energy efficiency measures, boosting the production of biogas, biomethane and clean hydrogen, renewable energy deployment or voluntary demand reduction measures;
- (c) identification of any potential technical, contractual or regulatory barriers to replace natural gas which originates in or is exported directly or indirectly from the Russian Federation, and options to overcome those barriers.
- 3. By 1 March 2026, Member States shall notify the Commission of their national diversification plans using the template set out in Annex I.
- 4. The Commission shall facilitate the preparation and implementation of the national diversification plans for natural gas where appropriate. Member States shall report regularly to the Gas Coordination Group established by Article 4 of Regulation (EU) 2017/1938 on the progress achieved with the preparation, adoption and implementation of those plans. On the basis of the national diversification plans, the Commission shall assess the implementation of the phase out of Russian gas and report it to the Gas Coordination Group, as per Article 13 of this Regulation.

National diversification plans for oil

- Where Member States receive imports of oil originating in or exported directly or indirectly from the Russian federation, they shall establish a diversification plan describing measures, milestones and potential barriers to diversify their oil supplies, to discontinue, by 1 January 2028, imports of oil which originates in or is exported directly or indirectly from the Russian Federation.
- 2. The national diversification plan for oil shall include all the following:
- (a) available information on the volume of direct or indirect imports of oil imports from Russia under existing supply contracts;
- (b) measures planned at national level to replace oil which originates in or is exported directly or indirectly from the Russian Federation, including the quantities expected to be phased out, milestones and timeline of implementation, and options for alternative supplies and supply routes;
- (c) potential technical or regulatory barriers to replace oil which originates in or is exported directly or indirectly from the Russian Federation, and options to overcome those barriers.
- 3. By 1 March 2026, Member States shall notify the Commission of their national diversification plans in accordance with / using the template set out in Annex II.

- 4. The Commission shall facilitate the preparation and implementation of the national diversification plans for oil where appropriate. Member States shall report regularly to the Oil Coordination Group established by Article 17 of Council Directive 2009/119/EC¹⁸ on the progress achieved with the preparation, adoption and implementation of those national diversification plans.
- 5. Where the national diversification plan for oil identifies a risk that the objective of phasing out Russian oil by 1 January 2028 may not be achieved, the Commission may issue a recommendation, after assessing the plan, to the respective Member State on how to achieve the phase out in a timely manner. Following that recommendation, the Member State shall update its diversification plan within three months, taking into consideration the Commission's recommendation.

CHAPTER V

MONITORING OF SECURITY OF GAS SUPPLY

Article 13

Amendments to Regulation (EU) 2017/1938

Regulation (EU) 2017/1938 is amended as follows:

(1) in Article 2, the following points (32) and (33) are added:

'(33) 'take-or-pay provision' means a contractual provision which obliges the buyer to either take delivery of, or alternatively pay for a specified minimum quantity of gas within a given period, regardless of whether the gas is actually received;

(34) deliver-or-pay provisions' means a contractual provision which obliges the seller to pay a contractual fine in case of non-delivery of gas.';

TREE.2.B



¹⁸

Council Directive 2009/119/EC of 14 September 2009 imposing an obligation on Member States to maintain minimum stocks of crude oil and/or petroleum products (OJ L 265, 9.10.2009, p. 9, ELI: http://data.europa.eu/eli/dir/2009/119/oj).

(2) Article 14(6) is amended as follows:

(a) in the first subparagraph, the following point (c) is added:

'(c) to the Commission and to the concerned competent authority the following information relating to supply contracts for natural gas which originates in or is exported directly or indirectly from the Russian Federation:

- (i) the information referred to in Article 7(2) of Regulation (EU) XX/2025 this Regulation;
- (ii) information on quantities to be supplied and taken, including possible flexibilities under take-or-pay provisions or deliver-or-pay provisions;
- (iii) delivery schedules (LNG) or nominations (pipeline gas);
- (iv) possible contractual flexibilities concerning the annual contracted quantities, including make-up quantities;
- (v) conditions for the suspension or termination of gas deliveries, including force majeure provisions;
- (vi) information on which law is governing the contract and which arbitration mechanism is chosen;
- (vii) key elements of other commercial agreements that are relevant for the execution of the gas supply contract, excluding price information.';
- (b) the following third and fourth subparagraphs are added:

'The information referred to in point (c) shall be provided for each contract in a disaggregated format, including the full relevant text parts, excluding price information, notably where the full knowledge of the formulation of the contractual provisions is crucial for the security of supply assessment or where certain contractual provisions are interrelated.

Providers of LNG terminal services shall provide the Commission with information concerning services booked by customers from the Russian Federation,' customers controlled by undertakings from the Russian Federation, including contracted services, affected quantities and contract duration.';

(3) in Article 17, the second paragraph is replaced by the following:

'The Commission shall carry a continuous monitoring of an exposure of the Union's energy system to Russian gas supplies, notably on the basis of information notified to competent authorities pursuant to Article 14(6), point (c).

The Commission shall assess the implementation of the phase out of Russian gas pursuant to Regulation (EU) XX/2025 at national, regional and Union level on the basis of the national diversification plans pursuant to Article 11 of that Regulation. This assessment shall be reported to the Gas Coordination Group.

On the basis of the conclusions of the assessment referred to in the third paragraph, the Commission shall publish an annual report, which shall provide a comprehensive overview of the progress achieved by Member States in implementing their national diversification plans.

Where relevant, the report referred to in the fourth paragraph may be accompanied by a Commission recommendation which identifies possible actions and measures to ensure secure supply diversification and a timely phase out of Russian gas.

The Member States concerned shall update their national diversification plan within three months, taking into consideration the Commission's recommendation.'.

CHAPTER VI

FINAL PROVISIONS

Article 14

Professional secrecy

- 1. Any confidential information received, exchanged, or transmitted pursuant to this Regulation shall be subject to the conditions of professional secrecy laid down in this Article.
- 2. The obligation of professional secrecy shall apply to all persons who work or who have worked for authorities involved in the implementation of this Regulation or any natural or legal person to whom the relevant authorities have delegated its powers, including auditors and experts contracted by the competent authorities.
- 3. Information covered by professional secrecy shall not be disclosed to any other person or authority except by virtue of provisions laid down by Union or national law.
- 4. All information exchanged between the relevant authorities under this Regulation that concerns business or operational conditions, and other economic or personal affairs shall be considered confidential and shall be subject to the requirements of professional secrecy, except where the competent authority states at the time of communication that such information may be disclosed or where such disclosure is necessary for legal proceedings.

Monitoring and review

The Commission shall continuously monitor the development of the Union's energy market, notably with respect to potential gas supply dependencies or other security of supply risks in relation to energy imports from the Russian Federation. In the case of sudden and significant developments, seriously threatening the security of supply of one or more Member States, the Commission may authorise one or more Member States to temporarily suspend the application of Chapter Two of this Regulation, in whole or in part. The Commission decision may contain certain conditions, in particular, to ensure that any suspension is strictly limited to addressing the threat.

Article 16

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg,

The President