

European Commission Proposes EU Regulation Banning Natural Gas Imports From Russia and the Provision of Liquefied Natural Gas (LNG) Terminal Services to Russian Customers

EU – June 2025



European Commission Proposal

On 17 June 2025, the European Commission (EC) published a [legislative proposal](#) for an EU regulation that would phase out Russian natural gas imports, ending the EU's dependence on Russian gas and removing a significant exposure to "the significant risks for trade and security" from gas trade with Russia.

While the document published by the EC is only a legislative proposal, the contractual cutoff date for certain provisions is 17 June 2025. Therefore, should the proposal be adopted as it currently stands, it would still affect contracts being entered into as of today. The prohibition would take effect on 1 January 2028.

Ban on Russian Gas Imports

The EC seeks to outlaw importation into the EU of Russian natural gas via pipelines as early as 1 January 2026.

The same cut-off date would likewise apply to the importation of LNG, which either originates or is exported directly or indirectly from Russia.

These prohibitions would be subject to exceptions, mainly intended to accommodate existing supply contracts during a phase of transition. The EC proposes that three possible exceptions to the prohibitions apply:

1. First, where importers could demonstrate that relevant natural gas imports are being executed under a contract not exceeding one year concluded before 17 June 2025, and not amended thereafter, the prohibition would take effect on 17 June 2026.
2. Second, where they could demonstrate that the relevant natural gas imports are being executed under (i) a contract not exceeding one year with delivery to an interconnection point with a landlocked country and (ii) that a contract exceeding one year 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 or is exported directly or indirectly from Russia and which was concluded before 17 June 2025 and not amended thereafter, the prohibition would take effect on start applying on 1 January 2028.

3. Finally, where importers could demonstrate that imports of natural gas are being executed under a contract exceeding one year concluded before 17 June 2025, and not amended thereafter, the prohibition would take effect on 1 January 2028.

Ban on LNG Long-term Terminal Services to Russian Customers

Other than the import prohibitions, the EC proposes to prohibit the provision of LNG terminal services under contracts with a duration of more than one year to entities established in Russia or entities controlled by natural persons or legal entities established in Russia. This prohibition would also start applying on 1 January 2026.

An exception to this would apply where a provider of such services could demonstrate that those services are provided under a contract concluded before 17 June 2025 and not amended thereafter, the prohibition would only start applying on 1 January 2028.

Information Submission

The legislative proposal would also introduce information submission requirements for importers of natural gas into the EU. Such importers would have to provide customs authorities with information necessary to implement the prohibitions described above, as well as the exceptions thereof.

The required information would include the conclusion date of any gas supply contracts, their duration, the contracted gas quantities, the identities of the parties subject the contract, the producers of the gas, the countries of production and processing, the port of first loading (for LNG), the delivery points and modifications to the contracts. The text of the contract could be requested by customs authorities, which could also refuse the release for free circulation of the relevant goods.

Providers of LNG terminal services to Russian customers would also be required to provide all relevant information to customs authorities for the implementation of the relevant prohibition.

Information received would be exchanged by the Agency for the Cooperation of Energy Regulators (ACER) and the EC.

Russian Gas Presumption

The EC proposes that natural gas entering the EU through certain interconnection points in Finland, Estonia, Latvia, Poland, Germany, Turkey, Hungary and Bulgaria be presumed to be exported from the Russian Federation, unless proper evidence are provided to show (i) that the origin of the natural gas is non-Russian and that (ii) Russian Federation was only used for the transit.

National Diversification Plans

A further proposal by the EC is that EU member states establish national diversification plans for both natural gas and oil. The objective would be to discontinue natural gas and oil imports originating in or being exported directly or indirectly from Russia by 1 January 2028. Member states would have to notify their national diversification plans by 1 March 2026.

Legal Basis

The legal basis chosen by the EC is a key aspect of its legislative proposal. This is because the content of the proposed regulation is reminiscent of EU sanctions adopted against Russia, which are adopted in furtherance of the EU Common Foreign and Security Policy (CFSP). The adoption of sanctions requires a unanimous vote in the Council of the EU (Council), would thus effectively be providing all member states with a veto over the content of sanctions.

The EC's proposal is not for sanctions under the CFSP. Rather, the EC is invoking Articles 194(2) (i.e. an EU energy policy legal basis) and 207 (i.e. the EU's common commercial policy) of the Treaty on the Functioning of the European Union (TFEU) as the legal bases for its proposal. This is a significant departure with immediate consequences.

This choice of legal bases allows the EC to propose the regulation under the so-called ordinary legislative procedure. The ordinary legislative procedure involves both the European Parliament (EP) and the Council. Importantly, only a qualified majority of votes is required in the Council as part of the ordinary legislative procedure (as well as a simple majority at the EP). As such, the EC's choice of legal basis has the effect of avoiding a unanimous vote requirement at the Council.

Should the proposed regulation be adopted, it could potentially be subject to a challenge before the Court of Justice of the EU concerning its legal basis. This could for instance potentially take the form of action for annulment under Article 263 of the TFEU.

How We Can Help

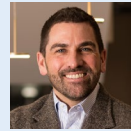
The EC's legislative proposal is significant both in its substance and in the precedent it establishes. On the one hand, banning EU imports of Russian gas has long been speculated on as a next, strong step in the EU's economic separation from Russia. On the other hand, the use of non-CFSP legal bases for the measures being proposed by the EC is a major development in EU legislative history.

We expect the EC's proposal to be hotly debated as it makes its way through the EU's ordinary legislative procedure, as well as when, and if, it is adopted and published in the Official Journal of the EU. We can assist you with any questions you may have concerning the adoption procedure and its consequences. Furthermore, the EC's choice of legal bases means that engagement opportunities will arise that are not available in the context of the adoption of EU sanctions under the CFSP. For example, the EP and the Council will be able to propose and adopt amendments to the EC's proposal and will eventually have to agree on its final form.

Additionally, the wording of the EC's proposal means that, while the adoption of the regulation is some time away, contractual consequences may arise from 17 June 2025 and must already be taken into account.

All in all, Squire Patton Boggs' international trade and public policy team stand ready to assist you with any queries you may have.

Team



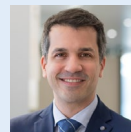
Wolfgang Maschek

Partner, Brussels
T +322 627 11 04
E wolfgang.maschek@squirepb.com



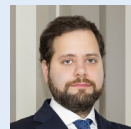
José María Viñals

Partner, Madrid/Brussels
T +34 91 426 4840
E josemaria.vinals@squirepb.com



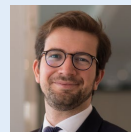
Diego Sevilla Pascual

Senior Associate, Brussels
T +322 627 7612
E diego.sevillapascual@squirepb.com



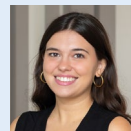
Tigran Piruzyan

Senior Associate, Madrid
T +34 91 520 0772
E tigran.piruzyan@squirepb.com



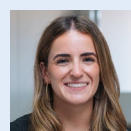
Guillermo Giralda Fustes

Associate and Public Policy Advisor, Brussels
T +322 627 7621
E guillermo.giraldafustes@squirepb.com



Jimena Machado

Associate, Madrid
T +34 91 426 4850
E jimena.machado@squirepb.com



Ana Morales Torrego

Junior, Madrid
T +34 91 426 2682
E ana.morales@squirepb.com