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New FAQs Push Europe Out of Russian LNG

How EU and UK Measures Squeeze Shipping, Ports, and Insurance

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On 21 November 2025, the European Commission (EC) issued new guidance addressing several of the measures that were recently adopted in the 19th Sanctions Package. Although they are framed as clarifications, the expanded scope they describe will affect not only operators active in Europe or Russia, but potentially anyone involved in moving, financing or servicing Russian-linked energy and shipping anywhere in the world.

The strengthened measures in Council Regulation 833/2014 (Regulation) against liquefied natural gas (LNG) from the Russian Federation (Russia), designated Russian infrastructure, and Russian state-owned entities (SOE), all point in the same direction. Read together, the EC's FAQs make the policy intent clear: the EU is not just trying to keep Russian LNG out of the common market, it is trying to push EU nationals and EU-incorporated entities out of the Russian LNG supply chain altogether, even for cargoes being rerouted to third countries. The UK recently moved in the same direction; in early November 2025, London announced plans to tighten its own maritime restrictions so that British shipping and insurance services will no longer be available to support the Russian LNG trade, presenting this as a coordinated step with the EU.[1]

The EU's Campaign Against Russian LNG

The EC makes clear that the LNG ban expressly forbids "the purchase, import or transfer, … of LNG originating or exported from Russia"; it is designed to close the door on the Russian LNG trade for EU-linked operators, regardless of whether they are directly or indirectly involved. They explicitly state that the scope of the ban now encompasses:

> "the territory of the [EU]; any person inside or outside the territory of the [EU] who is a national of a Member State; and any legal person, entity or body, inside or outside the territory of the [EU], which is incorporated or constituted under the law of a Member State."[2]

This ban also covers any related technical and financial services (e.g. arranging letters of credit; issuing guarantees or cargo insurance; matching sellers, buyers and shipowners; negotiating charterparties or sale contracts; or performing inspections, vetting and operational support).

The EC is convinced that a narrower interpretation of the scope, whether of its territorial or subjective dimensions, would only serve to water down the EU's LNG ban and foster circumvention efforts.

Any operators with an EU nexus that are still contractually involved in any transactions falling within the expanded scope of the ban need to be aware of the transition periods provided for in the Regulation. For legacy long-term contracts that were signed before 17 June 2025 and have been left largely unchanged since closing, the ban will only start to apply as of 1 January 2027. For all short-term deals, as well as for long-term contracts that are new or that have been significantly revised since 17 June 2025, the ban takes effect even earlier, on 25 April 2026.

An Expanded Stricter Infrastructure Ban

Previous FAQs issued by the EC had already demonstrated that the EU's infrastructure ban, even before the adoption of the 19th Sanctions Package, is meant to be a very broadly interpreted prohibition. EU operators (i.e. EU nationals and entities incorporated in the EU's member states, as well as vessels flying the flag of an EU member state, regardless of the nationality of the crew, or actual ownership), barring the applicability of an exception from the closed list enumerated in the Regulation, are prohibited from engaging in transactions with designated Russian ports and airports.[3]

Building on this foundation, the EC has now clarified how the amended infrastructure ban, adopted as part of the EU's 19th Sanctions Package, further widens the field of application by expanding Annex XLVII to the Regulation. That annex may now include not only designated Russian infrastructure in its Parts A and B, but also, in its newly incorporated Part C, infrastructure located in third countries that has been singled out as playing a significant role in Russian trade. As a result, the list of off-limits locations is no longer confined to Russian territory but can also capture non-Russian ports and locks that have become important nodes in Russia-related logistics chains.

1 The UK Is Set To Ban Maritime Services for Russian LNG Exports, José María Viñals, Diego Sevilla Pascual, D. Michael Kaye, and Tigran Piruzyan, Squire Patton Boggs insight, 17 November 2025.

2 Liquified Natural Gas (LNG) Import Ban, EC FAQs – as of 21 November 2025.

3 Infrastructure Transaction Ban, EC FAQs – as of 8 September 2025

Insurance Payouts or Prohibited "Economically Valuable Benefit"

If the infrastructure rules decide where Russian-linked traffic can physically move, another part of the sanctions package now decides who EU operators may deal with at all. A separate set of measures targets SOEs listed in Annex XIX and bans EU nationals and EU-based companies from signing new contracts with them, continuing to perform existing ones, or giving them any "economically valuable benefit", including payments, services or other advantages.

In new FAQs published on 21 November 2025, the EC uses an insurance example to clarify Article 5aa. It says that simply insuring a voyage that calls at a port owned by a listed SOE is not, by itself, a prohibited transaction. However, things change if there is an accident and a claim arises while the vessel is at that SOE-owned port. Paying out a valid claim to the SOE in that situation would breach the sanctions. The EC explains that an EU insurer may:

> "only make a direct payment to the port or reimburse liabilities for damages occurring in such a port if the latter is owned by an entity targeted by Article 5aa and listed in Annex XIX if the purpose of the entry into the port of the vessel was the transport of goods as provided in an exemption …"[4]

The relevant exceptions to this prohibition refer to the purchase, import and transport of two specific sets of goods: (i) rare-earths and oil, including refined petroleum products, provided they comply with the dedicated oil embargo and price-cap rules, coming from or through Russia into Europe; (ii) pharmaceutical and medical products, as well as agricultural and food products (e.g. wheat and fertilisers), so long as the underlying transaction is not otherwise prohibited elsewhere in the Regulation.

From a risk-management standpoint, this puts EU insurers and protection and indemnity (P&I) clubs in a tight position. They may still underwrite voyages calling at ports owned by listed SOEs, but for most trades, they cannot safely pay claims if money would reach those entities. Outside the narrow goods-related exemptions described above, any significant payment for port damage, pollution, wreck removal or similar liabilities is likely to be treated as a prohibited economic benefit to an SOE target. In practice, cover for calls at such ports is, for many third-country and Russian vessels, either effectively nonperformable or subject to strict sanctions clauses and carve-outs, with liabilities to the SOE-owned port often remaining on the member's balance sheet rather than that of the club.

The Big Picture

The combined effect of these EU measures on service providers, together with those announced by the UK earlier in November, is not a side effect; it is the point. Brussels and London are deliberately trying to make Russian LNG progressively uninsurable and operationally awkward, raising costs and risks not only for their own nationals but also for non-EU/UK buyers and intermediaries who stay in the trade.

In LNG, where the global fleet is only some seven hundred carriers, European P&I clubs are believed to provide primary cover for roughly one-half to two-thirds of them, with most of the rest insured by a small number of closely aligned European and Japanese mutuals. Russian interests control only a few dozen LNG carriers, a single-digit share of global capacity, and have historically relied on this European and British dominance.[5] As the EU and the UK cut off these services, Russia's options shrink. A pivot to other markets, particularly in Asia, might still be politically feasible, but in practice, it will be more expensive, more complex, and more susceptible to disruption.

The LNG ban, the infrastructure blacklist, and the SOE rules are pushing Russian LNG and its logistics into a space where ordinary commercial involvement is presumed off-limits, save for a narrow set of exceptions. For non-EU operators and third-country buyers, the message is similar: if they continue to handle Russian LNG, they should expect to do so without the backing of established European and British shipping, insurance and banking institutions.

How We Can Help

As an international law firm with a dedicated sanctions and international trade and compliance team, we can help you understand how the new EU and UK measures affect your business and risk profile, and what you should do next. We advise financial institutions, energy companies, shipowners, P&I clubs, traders, and logistics providers on how to map their EU/UK nexus, unwind legacy exposures, and redesign trade flows and contracts so that they remain compliant and commercially workable. This includes revising LNG and shipping contracts, drafting and negotiating sanctions and insurance clauses, assessing whether particular ports, terminals, or state-owned counterparties can still be used, and advising on exemptions and licenses. We also help clients update internal policies, know your customer (KYC) and screening protocols, and governance, so that front-line teams can apply these rules in real time. Where necessary, we engage with regulators, explain complex structures or transactions, and support responses to inquiries or investigations.

4 State-Owned Enterprises, EC FAQs – as of 21 November 2025.

5 Insured complicity: 76% of Russia's LNG exports carried on UK owned or insured vessels since invasion, Centre for Research on Energy and Clean Air, 6 June 2025.

Contacts

José María Viñals
Partner, Madrid/Brussels
T +34 91 426 4840
T +34 649 133 822
E josemaria.viñals@squirepb.com

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

Tigran Piruzyan
Senior Associate, Madrid
T +34 618 017 354
E tigran.piruzyan@squirepb.com

Guillermo Giralda
Associate, Brussels
T + 322 627 7621
E guillermo.giraldafustes@squirepb.com

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

Ana Morales
Associate, Madrid, Spain
T +34 91 426 2682
E ana.morales@squirepb.com