

Gas imports

FREQUENTLY ASKED QUESTIONS – AS OF 21 APRIL 2022

1. Why is the adoption of the Russian Presidential Decree no 172 of 31 March relevant for EU gas importers in light of [Council Regulation \(EU\) 833/2014](#)?

The Decree of 31 March substantially amends the legal framework for the execution of supply contracts concluded between Russian gas suppliers and EU companies, adding new obligations for each EU company.

EU Companies can only lawfully comply with implementation measures of the new Decree if the compliance with these measures is not in conflict with the obligations arising from the restrictive measures under [Council Regulations \(EU\) 833/2014](#) or [269/2014](#).

2. Why could the compliance with the new rules of Decree no 172 of 31 March be in conflict with the sanctions?

The Decree introduces a new payment procedure, whereby the deposition of Euros or Dollars on the supplier's account is no longer considered as fulfilment of the contractual obligations. Instead, Euros or Dollars received by EU companies need to be converted into roubles under the Decree, and EU companies are only deemed to have fulfilled their contractual obligations once the conversion process from Euros or Dollars has been successfully completed, and the payment has been made in roubles.

This process, which is entirely in the hands of the Russian authorities, would also allow Russia to involve the Russian Central Bank in this process, through a number of transactions linked to the management of the Central Bank's assets and reserves, which is prohibited under the EU sanctions. As the conversion process may take an undefined amount of time, during which time the foreign currency is entirely in the hands of the Russian authorities including the Central Bank, it may even be considered as a loan granted by EU companies.

3. Is it still possible to pay for gas after the adoption of Decree no 172 of 31 March without getting in conflict with EU law?

Yes, this appears possible. EU companies can ask their Russian counterparts to fulfil their contractual obligations in the same manner as before the adoption of the Decree, i.e. by depositing the due amount in Euros or Dollars. The Decree of 31 March does not preclude a payment process which is in line with the EU restrictive measures. However, the procedure for derogations from the requirements of the Decree is not clear yet.

4. Are EU gas importers allowed to engage with Gazprom and GazpromBank in order to seek an acceptable solution or additional information on the situation? Are they allowed to open an account in euro with GazpromBank for gas payments?

The existing sanctions do not prohibit engagement with Gazprom or GazpromBank, beyond the refinancing prohibitions relating to the latter, as per Article 5(1)(a) and (6). Likewise, they do not prohibit opening an account with GazpromBank. Such engagement or account, however, should not lead to the violation of other prohibitions in [Council Regulations \(EU\) 833/2014](#) or [Council Regulation 269/2014](#).

5. Can EU operators make transfers in euros to the specified account at GazpromBank if they previously or simultaneously make a clear statement to the effect that their payment obligation ends with this transfer?

Yes, EU companies could make a clear statement that they intend to fulfil their obligations under existing contracts and consider their contractual obligations regarding the payment already fulfilled by paying in euros or dollars, in line with the existing contracts, as before the adoption of the Decree.

It would be advisable to seek confirmation from the Russian side that this procedure is possible under the rules of the Decree.