



EU Methane Regulation

Joint Statement ahead of next European Council and TTE Council of June 2026

11 June 2026

The co-signatories fully support an effective regulatory framework to reduce methane emissions and are committed to complying with the EU Methane Regulation. **However, as currently designed and timed, it forces EU gas and oil importers into a situation of non-compliance with a potential detrimental impact on EU security of affordable supply.**

Key ask to the EU Council

The European Commission's intention to address some of the shortcomings by issuing Recommendations is welcome but cannot provide the legal certainty required for contracting new supplies, nor can it remedy the issue of non-compliance.

In light of the urgency of the situation, with impending e.g., 1 January 2027 deadline exposing importers to significant penalties without concrete possibility to comply, the signatories call on Member States to urge the European Commission to present a revised implementation timeline for the EU Methane Regulation import provisions. While the Recommendations are a positive first step, they do not provide the sufficient legal certainty. An updated timeline should be urgently discussed and adopted. This targeted amendment should in particular postpone the application of Chapter V requirements for importers, including MRV equivalence and methane intensity requirements, to dates that are consistent with the development of necessary yet currently missing implementing acts, standards, methodologies and resources for Monitoring, Reporting and Verification of Methane Emissions at EU, international and Member State level.

Assessment of the Commission Recommendation on the application of Article 33 of Regulation (EU) 2024/1787

The signatories welcome the Commission's intention to address security of supply risks, notably those arising from the current Middle East crisis through a targeted, time-limited recommendation to Member States to ease certain penalty provisions. The proposed Recommendation acknowledges the concerns raised by gas and crude oil importers that significant, uncertain administrative penalties during an acute supply crisis risk deterring the conclusion and renewal of gas and crude oil supply contracts needed to ensure Europe's security of affordable supply.

At the same time, the signatories believe that the Recommendation does not resolve the legal, commercial and reputational barriers that are currently delaying or preventing the conclusion of new contracts. This is because merely suspending or easing penalties would still leave most importers exposed to non-compliance, without providing the necessary instruments to ensure compliance or adequate lead time for importers to adapt.



Non-binding nature and fragmented implementation

The text is a Recommendation and therefore not legally binding. Member States “should” follow it but are not obliged to, and there is no guarantee that national competent authorities and courts will take a consistent approach to its application.

Commission Recommendations are soft-law instruments that national authorities and courts will primarily take into account when interpreting open concepts such as the obligation in Article 33(2) not to endanger security of supply, but they do not change the underlying legal obligations in the Regulation itself. For importers planning multi-billion-euro contractual commitments, this limits the Recommendation’s ability to provide firm legal certainty and does not remove the structural risk of being forced into likely non-compliance, with ensuing litigation and reputational exposure.

Underlying obligations still apply, despite practical constraints

The MRV equivalence and methane intensity obligations remain fully applicable from the relevant dates. Currently, key supply sources for oil and gas imported into the EU do not, in large part, monitor, report and verify methane emissions in a manner that can be demonstrated as equivalent to the Regulation. While the monitoring and reporting elements can in principle be met via pathways such as OGMP 2.0, the verification element remains a critical bottleneck:

- there is still a lack of clearly recognised verification protocols and standards that can be relied upon by importers and producers as “equivalent” under the EU Methane Regulation;
- there is a limited pool of appropriately staffed verification bodies capable of delivering verification at the scale and in the jurisdictions required;
- verifiers have indicated that they are unlikely to assume the legal and reputational risk of conducting assessments where methodologies are not yet standardized or where a clear, agreed verification protocol is still missing;
- it remains unclear whether verifiers accredited in third countries will be recognised for EU Methane Regulation reporting purposes;
- the development of global scale-up of certification schemes for crude oil and natural gas across exporting regions will take a time not matching the phase-in of requirements.

In addition, as of June 2026, critical secondary legislation associated with compliance demonstration remains pending.

EU importers have, in practice, no reliable way to demonstrate full compliance with the importer obligations for a significant share of current and prospective supply sources, irrespective of any temporary easing of penalties. In such cases, the practical risk is not only administrative penalties but also contractual disputes, reputational concerns and companies’ internal requirements to not knowingly breach existing compliance obligations, which the Recommendation does not address.

Link to evolving market conditions

The justification for flexibility is limited to the current crisis and forecasts of supply tightness at least through 2027. If market conditions change earlier than anticipated, national authorities may interpret



the security of supply rationale differently and reassess their enforcement stance, potentially undermining the predictability the Recommendation seeks to provide. Such interpretation would also be flawed, as irrespective of more favourable market conditions, the pool of suppliers is likely to remain limited to MRV-compliant volumes in the coming years, which may also have implications for security of supply.

Limits of political commitments for companies

The signatories welcome the Commission's willingness to promote consistent application of the Recommendation by national authorities, including through the network of competent authorities and bilateral engagement with Member States. However, such political and administrative efforts do not create the level of legal certainty that companies require when assuming contractual commitments. These companies must be able to demonstrate to investors, auditors and regulators that management is acting in full compliance with applicable law across all jurisdictions in which they operate; a non-binding Recommendation, even if politically backed, cannot substitute for clear, enforceable and practicable primary and secondary legislation. Additionally, the signatories underline that despite the Commission's intention to establish penalty regimes aligned with its Recommendation, there is no certainty that these will be implemented in the required timeframe.

Post-2029 liability for long-term contracts

The recommended grace period covers only infringements of obligations due in 2027-2029 for contracts concluded before 1st of January 2028. Many LNG and pipeline gas contracts under discussion today would run well into the 2030s. For these contracts, a material share of deliveries and compliance obligations will fall outside the grace period, when a fully stringent penalty regime may be applied. Importers remain unable to quantify their long-term exposure and may therefore continue to favour shorter maturities or alternative markets.

Short-term transactions exposure to penalties

Short-term crude oil transactions (typically of less than one year in duration), as well as short-term transactions in pipeline gas (including monthly sales to industrial customers) and LNG (including spot purchases and sales of cargoes under MSPAs), appear to benefit from an exemption from penalties only until 31 December 2027, and not for the years 2028 and 2029. We therefore understand that all spot purchases of crude oil and gas in 2028 and 2029 would also be subject to penalties, having a critical impact on price formation for these years.

Unclear scope of "large fraudulent breaches"

Additionally, the Recommendation excludes from this grace period case of "large fraudulent breaches". While the signatories understand the rationale of such proposal, the term has yet to be defined, opening the door to uncertainty about its application and the potential fragmented approach within the EU.