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LIMITE

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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	Any other business
	Towards a coordinated implementation of EU restrictive measures on
	Russian LNG transshipments
	- Information from Belgium, supported by Finland

In view of the Transport, Telecommunications and <u>Energy</u> Council on 15 October 2024, delegations will find in Annex an information note from Belgium, supported by Finland on the abovementioned subject.

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TREE.2.B **LIMITE EN**

Energy Council 15 October 2024

Towards a coordinated implementation of EU restrictive measures on RU LNG transshipments

Background note from the Belgium, supported by Finland

In June, the Council adopted the 14th sanction package against Russia. This package includes a prohibition on reloading services of Russian LNG in EU territory for the purpose of transshipment. Belgium and its TSO are currently working on a meticulous and foolproof implementation of these measures. In preparation of their application from March 2025, it is imperative to align these efforts with other EU member states which offer LNG transshipment services.

Belgium therefore highlights the **urgent need for a coordinated mechanism across EU Member States** to manage the transshipment of Russian LNG. This coordinated approach is key even more given the 14th sanction package prohibits reloading Russian LNG only for the purpose of transshipment operations to third, non-EU countries..

Hence, transshipment operations to other EU Member States are still allowed, however the receiving EU member state must confirm the necessity of the shipment for its energy supply before allowing transshipments to proceed. As this requires a well-functioning intra-EU communication and transparency mechanism, Belgium requests a round table with all concerned member states capable of importing LNG, with a coordinating role for the European Commission. The development of such a mechanism should ensure avoidance of any circumvention of the sanction regime, while safeguarding intra-European trade flows, where delays or losses of LNG slots at European terminals are prevented.

One of the possible joint solutions might include **automatic acceptance of cargoes** if the shipper proves - well in advance of the planned reloading - they have a berthing right at another EU terminal in a reasonable timeframe.

To ensure compliance, Belgium is already working on the introduction of a mass balance system to trace the origin of LNG, making it possible to track and restrict Russian LNG molecules if necessary. However, Belgium acknowledges that the LNG markets of other Member States may as of yet not allow for such a system. Therefore, Belgium requests that the European Commission takes up a coordinating role, ensuring that all relevant stakeholders in Member States adopt compatible control systems with equivalent results.

With the experience of other sanction packages in mind, and especially regarding anticircumvention measures, **EU monitoring** is indispensable to prevent the use of indirect routes, such as ship-to-ship transfers or virtual liquefaction, which could bypass existing restrictions under the 14th sanctions package.

In conclusion, Belgium seeks to meticulously implement the dispositions from the 14th sanctions package pertaining to transshipments through a coordinated approach amongst EU member states under the guidance of the EU commission

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