



17 May 2024

European Commission Russian Oil Price Cap (OPC) Compliance Alert

Article 3n - Council Regulation (EU) 833/2104

Fluctuating Urals and ESPO crudes rates

The European Commission is issuing this alert to warn about circumvention risks in relation to the price caps on crude oil and petroleum products of Russian origin. This concerns Urals as well as the Eastern Siberia Pacific Ocean (ESPO) crudes exported from the eastern coast of the Russia Federation.

Staying informed. As global oil prices fluctuate, Russian oil may be traded at prices approaching the USD \$60 per barrel cap. EU operators, irrespective of their location in the supply chain of seaborne Russian oil.

Recent implementation requirements. Since 20 February 2024, the G7+ Price Cap Coalition has introduced new requirements to further support the implementation of, and compliance with, the price cap mechanism. EU operators must collect itemised cost information. This information is to be shared by actors with access to that information, such as Tier 1 or Tier 2 actors. Actors down the supply chain, such as shipowners and insurers, should collect and share this information as needed. Similarly, attestations 'per voyage' should be collected within 30 days of the lifting/loading of the oil.

Adjust business practices. EU operators should identify, assess, and understand the possible risks of circumvention that are most relevant for their business activity and operational model, and should take action to mitigate such risks. Due diligence requirements should be adjusted as necessary to take into account the fluctuation of global oil prices and developing deceptive practices.

EU operators should stay appraised of fluctuation in global oil prices and not engage in any circumvention practices in breach of the oil price cap. National competent authorities should take the necessary measures to detect and assess possible cases of breaches or circumvention within their jurisdiction.

More information on the Commission website: <https://commission.europa.eu/sanctions>