Joint industry reaction and recommendations
EU Methane Regulation
Elements of concern in the DG ENER Recommendations

31 August 2026

This document aims at listing the elements from the recently released DG ENER Recommendations which require clarification.

But clarification alone will not address the serious risks faced by EU importers and the EU as a whole: the Recommendations cannot substitute for the missing compliance framework.

On the application of penalties

- **Missing compliance feasibility should be the trigger.** The Recommendation does not address the underlying problem for importers as key elements required for compliance from 1 Jan. 2027 and Aug. 2028 remain either unavailable or insufficiently developed. Instead, only the current Middle East crisis is mentioned as context and justification for a 3-year penalty suspension, raising questions about the robustness of such a forward-looking assessment and its future validity should the crisis subside.
- **Significant risks remain.** Even with financial penalties suspended, companies remain exposed to significant risks from the violation of their obligations, including:
    - reputational damage
    - governance, disclosure and directors' duties implications for listed companies arising from continued uncertainty around compliance with the importer requirements
    - noncompliance with Company's own code of conduct/Shareholders governance
    - downgrading of corporate credit ratings affecting financing conditions/contractual arrangements
    - complaints, litigation or class actions by third parties
    - civil disputes with commercial counterparties and financing institutions
    - uncertainty regarding contractual representations and compliance obligations
- **Fragmentation risks.** Requests from certain Member States to market participants to report methane emissions information exclusively related to the volumes imported in the given Member States, which expose importers to multiple sets of national enforcement frameworks.
- **The security-of-supply mechanisms referenced do not fit the problem.** Existing instruments act predominantly ex post, assess crude oil and gas differently, and their highest crisis levels have yet to be triggered - even during the recent crisis. Tying relief to these mechanisms therefore offers limited protection against risks created by the EUMR implementation timetable.

  Security-of-supply should instead be understood broadly and prospectively, covering foreseeable as well as materialised risks, including situations where national implementation may undermine diversification, have a material adverse impact on the affordability of energy supplies, or affect the operation of critical infrastructure such as refineries.

  National frameworks should therefore provide clear circumstances in which penalties may be suspended or deferred, or importers exempted, together with clear derogation procedures, documentation requirements and applicable timeframes.
- **Undefined concept of "fraudulent breaches".** The Recommendation distinguishes between good-faith behaviour and fraudulent breaches but does not define the latter, creating legal uncertainty and inviting divergent interpretations and enforcement approaches across Member States.

On compliance solutions

- **Dependence on a still incomplete MRV framework, which will require time to implement**. Key building blocks remain unavailable, including internationally recognised verification protocols for reporting under OGMP 2.0 Level 5 or other measurement and quantification standards equivalent to EUMR Art. 12, a formally approved basis for the accreditation of verifiers, operative definition of the "reasonable assurance" standard required under EUMR Art. 8(4), definition of MRV "equivalence" under EUMR Art. 28. Without these elements, verifiers and importers are left to improvise on compliance pathways for the time being, with the risk that competent authorities may later reject them. Even once all blocks are defined, time will be needed for implementation on a global scale and to ensure the availability of compliance pathways for all stakeholders. For example, current lead times for accreditation of verifiers are unknown, with some countries reporting that it could take between 6-12 months.
- **The framework for recognition of compliance solutions is still unclear.** While the Commission recommends certain criteria to assess compliance solutions, further clarification is required to understand when and how Member States will be able to recognise schemes as consistent with those criteria. Harmonised implementation and recognition across Member States of compliance solutions will also take time, this should be acknowledged in the Recommendation and implementation of the EUMR.
- **Need for further implementation guidance.** For example, Annex 1 points (c) and (d) referencing the establishment of compliance with EUMR requirements for a producer. In general, absent further detail, these assessments will likely take time, could delay certificates' issuance and endanger the conclusion of contracts relying on them.
- **Combination of documentation** (Criterion 3). The positive acknowledgements of different ways to obtain the required data ignore that importers may still obtain relevant data from their supplier without requiring any document of compliance. The wording in Criterion 3 could make certificates mandatory for all imported volumes - even where not needed.
- **Reporting period has to be defined** (Criterion 3). The Criterion 3 refers to "reporting period". This must be defined against the background of the annual reporting for the EUMR and the market reality.
- **Practical feasibility of cross-registry checks and fraud safeguarding** (Criterion 6). The feasibility and value of requiring providers to cross-check registry information of all other providers is questionable. Beyond the delay it would create, assuming it was possible in the first place, we are also concerned about:
  - the confidentiality of the data to be exchanged as these may represent sensitive commercial information.
  - the benefits brought by such an approach: in our opinion, robust accreditation and oversight of independent verifiers and Competent Authorities should be the primary safeguard against fraud.
- **Uncertainty for volumes transiting third countries** (Criterion 9). For crude oil, natural gas or coal transiting one or more third countries before entering the Union, the Recommendation requires importers to provide evidence of the prior import into those countries. However, it does not clarify the documentation needed to demonstrate transit.
- **Lack of clarity on the documents required regarding the functioning of the compliance solution** (Criterion 10): Assuming that compliance schemes need to reference a measurement and reporting standard, as well as a verification standard - either one provided by a third party (e.g. ISO) or one they sourced themselves - it would translate into Competent Authorities implicitly accepting standards as equivalent. However, the Recommendation does not explicitly confirm such a reading.
- **Additional third-party audit requirement** (Criterion 11): The requirement for an external, third-party audit of the producers' conformity with the scheme creates additional delay/cost. We believe such a test is already

inherently part of the providers' process leading to the issuance of a certificate itself. Additional risks lie in the lack of clarity regarding the audit scope/boundary (production site, country or corporate basis), the auditors' qualifications and the validity period of these audit statements.

- **No real safeguard against fragmentation** (Criterion 12): The recognition of compliance solution providers is foreseen by individual Member States. The wording used and nature of the Recommendation remain too weak to ensure a harmonised approach across the EU.

- **Validity of document of compliance is inconsistent with reality** (Criterion 13)**:** We welcome the inclusion of 24-months validity period of the documents of compliance. However, we urge the Commission to consider the validity period to be tied to the end of the reporting year (i.e. December 31): Documents of compliance of volumes produced on year Y would be valid until 31 Dec. of Y+2.

On optional model clauses

- **Incomplete model clauses vs. contractual needs.** From a contractual perspective, the proposed model clauses will require contracting parties to agree in most cases on additional contractual clauses beyond those currently proposed, requiring time and incurring costs. Import transactions for a given year Y, even when negotiated in advance, are reported in year Y+1. Their exposure to potential consequences arising from non-compliance also exposes counterparties to a longer period of potential commercial disputes and litigation which should be also addressed.

- **Importer definition: need to align Q&A and Recommendation** (Clause 1): On the one hand, the DG ENER Q&A indicated that, in case of energy companies established in third Countries, customs representatives would be considered importers for the EUMR, while on the other hand the Recommendations state that the "final buyer" is the importer responsible for the Chapter V obligations (regardless of the Country of establishment). This inconsistency would benefit from further clarification.