

Statement of the G7 and Australia on Actions Taken to Enforce Price Caps for Seaborne Russian-Origin Oil and Petroleum Products

Berlin, Brussels, Canberra, London, Ottawa, Paris, Rome, Tokyo, Washington

12 October 2023

1. We, the members of the Price Cap Coalition—Australia, Canada, the European Union, France, Germany, Italy, Japan, the United Kingdom, and the United States—established price caps on seaborne Russian oil as outlined in the G7 Finance Ministers Statement on 2 September 2022, the Price Cap Coalition (“Coalition”) Statement on 2 December 2022, and the Coalition Statement on 4 February 2023.
2. The price cap policy supports stability in global oil markets by allowing our service providers to continue to participate in shipments of Russian-origin crude oil and petroleum products to other countries, if prices do not exceed the caps. Thus, the price cap minimises negative economic spillovers of Russia’s war of aggression, especially on low- and middle-income countries. In addition, the policy diminishes Russia’s ability to finance its illegal war of aggression against Ukraine. The policy also empowers industry worldwide—especially importers in the developing countries—to negotiate for Russian oil prices below the prevailing market price.
3. Since the establishment of the price cap policy, the Coalition has closely monitored markets—including price trends and volumes exported by Russia to ensure that the price cap continues to function as intended. Russian oil tax revenue was down 45% from January-August this year, relative to 2022. Given recent price movements, the Coalition is focusing on supporting compliance and enforcement of the policy.
4. Today, the Coalition is issuing a Maritime Safety Advisory to promote responsible practices in the maritime oil industry and enhance compliance with the price caps on crude oil and petroleum products. By adopting the recommendations in the advisory and previous guidance documents, industry stakeholders can reduce their exposure to possible risks associated with recent developments in the maritime oil trade.
5. In addition, the Coalition is issuing this statement to underscore the risks of violating price cap rules. In the normal course of business, Coalition service providers may interact with market participants in other jurisdictions. Where we have evidence that companies or persons have engaged in illicit or deceptive practices related to shipments of Russian-origin crude oil and petroleum products, we will respond in accordance with the respective restrictive measures established by the Coalition Members.
6. In this context, we highlight that the United States is also taking action to impose sanctions on two entities and identify vessels as property in which those entities have an interest. These entities own vessels that used Price Cap Coalition service providers and that carried Russian crude oil above the price cap limit. The SCF Primorye carried Novy Port crude oil priced above \$75 per barrel from a port in the Russian Federation after the

crude oil price cap took effect. United Arab Emirates-based Lumber Marine SA is the registered owner of the SCF Primorye. The Yasa Golden Bosphorus carried ESPO crude oil priced above \$80 per barrel after the crude oil price cap took effect. Turkiye-based Ice Pearl Navigation Corp owns the Yasa Golden Bosphorus. Both the Yasa Golden Bosphorus and the SCF Primorye, which conducted port calls in the Russian Federation, used U.S.-based services providers while transporting the Russian origin oil.

7. As a Coalition, we reiterate our strong commitment to imposing sanctions and other economic measures against Russia in response to its illegal, unjustifiable and unprovoked war. The Coalition stands behind U.S. initiatives to enhance compliance with the price caps. Moving forward, Coalition Members will continue to take action as appropriate based on their respective legislative frameworks and as evidence indicates violations related to each respective jurisdiction. Our Coalition takes all allegations of evasion and illicit activity seriously, and all Coalition members will respond as appropriate if industry players violate our rules. The price cap is a dynamic tool, and the Coalition is committed to enforcing compliance with the price cap to deny Russia the revenue it needs to prosecute its brutal war in Ukraine. At the same time, the Coalition remains committed to preserving stability in global energy markets, in terms of both price level and supply.
8. Engagement with maritime industry partners has been key to the development of the price cap policy. As the Coalition has made clear from the outset of the policy, good-faith actors can continue to rely on proportionate, case-by-case enforcement and concepts such as the 'safe harbor' established by the United States price cap compliance framework.