

# Germany Suspends Nord Stream 2 Certification

**Regulator says Gazprom-owned operator needs to establish German subsidiary before it can approve the pipeline.**

November 16, 2021



Nord Stream 2 has been beset by delays and sanctions. [nord-stream2.com](http://nord-stream2.com)

Germany's energy regulator on Tuesday suspended the certification process for Russia's Nord Stream 2 gas pipeline in the latest setback for the controversial [project](#).

The pipeline, which was [completed](#) earlier this year after months of delays and setbacks amid U.S. sanctions designed to thwart it, needs approval from German authorities before it can be put into use.

The German regulator said it could not proceed with certification of the pipeline because Nord Stream 2 AG, the Gazprom-controlled company which owns the pipeline, is registered in Switzerland, not Germany.

“Following a thorough examination of the documentation, the Bundesnetzagentur concluded that it would only be possible to certify an operator of the Nord Stream 2 pipeline if that operator was organised in a legal form under German law,” the regulator said in a [statement](#) Tuesday.

Gazprom’s share price dropped 2% on the news, which comes as Europe faces a gas supply crunch, with Russia accused of withholding supplies in a bid to force approval for Nord Stream 2.

Nord Stream 2 AG has agreed to set up a German subsidiary to govern the German part of the pipeline, the regulator said in its statement.

“The certification procedure will remain suspended until the main assets and human resources have been transferred to the subsidiary.”

Once that process is completed, the certification period will resume. Under German law, the regulator has four months to review documentation and make a decision on whether to approve the pipeline.

It is the latest setback for Nord Stream 2, which has been beset with delays and hold-ups in recent years amid escalating tensions between Russia and the West.

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The pipeline has been heavily criticized by many European countries, including key German ally France, as well as Poland and the Baltic States, who see it as a Russian geopolitical weapon. Washington’s hostility to the project drove a wedge between the U.S. and Germany under the Donald Trump administration.

New U.S. President Joe Biden struck a [deal](#) earlier this year with Germany to drop opposition to the project, with Germany pledging to support Ukraine, which stands to lose up to \$2 billion a year in lucrative transit fees.

The new pipeline, which connects Russia to Germany under the Baltic Sea runs alongside the existing Nord Stream gas link. When launched, the two pipelines could account for 60% of Russia’s gas exports to Europe.

European spot prices for gas — already elevated amid a [supply crunch](#) across the continent — jumped a further 5% on the news.

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