The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

# Russia Enacts Oil Sale Ban on Price Cap-Compliant Countries

February 01, 2023


**Yuri Kochetkov / EPA / TACC**

Russia’s ban on oil exports to countries and companies that adhere to a Western price cap aiming to constrain the Kremlin’s energy revenues took effect Wednesday.

President Vladimir Putin imposed the Feb. 1-July 1 ban in retaliation to a $60-per-barrel price ceiling set by G7 countries, the European Union and Australia on Russian crude sales in December.

The Western moves seek to cut a key revenue source for Moscow while avoiding crashing the global oil industry as Russia's nearly year-long war in Ukraine continues.

Russia has said it would find new buyers outside those who comply with the price cap.

**Related article**: Putin Warns of 'Grave Consequences' to Oil Price Caps

Putin’s decree prohibits oil sales to entities whose contracts “directly or indirectly allow for the use of the price cap mechanism."

Russia's Energy Ministry is responsible for overseeing the ban, which Putin can lift on a case-by-case basis via a so-called "special decision."

The measures take effect as Western oil tankers were reported to have increased shipments of Russian crude below the $60 per barrel price cap in January.

Increased Asian demand, oil prices and tanker availability fueled crude loadings from Russian ports to multi-month highs of more than 9.5 million tons, according to Reuters.