

International Guide to Offshore Oil & Gas Decommissioning

International · 08/12/2025

CMS has published its [International Guide to Offshore Decommissioning](#) in the Oil & Gas industry. Providing jurisdiction-by-jurisdiction analysis across ten key markets, and framed by a comparative introduction, the Guide summarises the legal and regulatory landscape for the end-of-life phase of offshore oil and gas assets in each jurisdiction. It is designed for those active in the decommissioning industry (such as in-house counsel, investors, commercial teams and project leaders) to understand the regulatory framework in this important area.

Why this matters

Decommissioning of offshore oil & gas infrastructure and sub-sea wells has never had greater attention. Ageing infrastructure, sharpened expectations on environmental performance, increasingly prescriptive planning and security requirements, and cost inflation have combined to elevate decommissioning to a strategic priority in some jurisdictions. Understanding the increasingly complex regulatory requirements governing decommissioning activities in these areas is key to planning and safely implementing decommissioning projects offshore.

What the Guide covers

The Guide is designed to provide an easily accessible overview of the legal and regulatory position in key decommissioning jurisdictions, in a way that will provide anyone interested in understanding the regulatory and legislative arrangements in this sector some insight into the key drivers and challenges that may exist. The Guide takes the form of responses to a series of questions, so also facilitates comparison between different approaches. The questions cover three main areas:

1. **Who must do what?** Which authorities oversee offshore decommissioning, what laws and regulations apply (including liability for planning, execution and post-decommissioning monitoring), what penalties apply for non-compliance, and are there any tax reliefs or similar incentives for decommissioning costs?
2. **Who pays for it?** How are decommissioning liabilities allocated between licensees, co-venturers and the State, what security is required and in what forms, and how are these liabilities managed in asset and corporate sale processes?
3. **What next?** What are the key current hot topics for decommissioning in the jurisdiction, and how does decommissioning interact with low-carbon or energy transition projects?

Cross-jurisdiction themes to watch

1. Liability is expanding. Most regimes still put the main duty on current owners, but some provide for reach back to past owners. The 'who', 'how long', and 'for what' scope of residual exposure varies widely.
2. Planning starts earlier and is more prescriptive. Regulators want detailed plans well before cessation of production.
3. Security is moving to dynamic, risk-based models. Regulators expect security that adjusts as cost and schedule estimates change.

4. Enforcement is getting tougher. Regulators have broad powers to direct action and can impose large fines and, in some cases, criminal penalties.
5. Transactions dealing with offshore assets face more scrutiny with respect to the allocation of decommissioning liability.

Conclusion

Decommissioning is no longer a quiet epilogue to the offshore energy story - it has become a defining chapter in the global energy transition. For those looking to invest or do business in the offshore decommissioning space, we hope this Guide will provide some useful insights and context to those opportunities.

If you have any questions about this Guide please contact [Valerie Allan](#) or [Paula Kidd](#).

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