



# The Carbon Border Adjustment Mechanism (CBAM)

**Information session in English  
19 June 2024**

**European Commission - Directorate-General  
for Taxation and Customs Union**

# The Carbon Border Adjustment Mechanism

- 1. Objectives and implementation of the CBAM**
- 2. CBAM Actors**
- 3. Emissions calculation, reporting and CBAM transitional registry**
- 4. The future of CBAM**

# The Carbon Border Adjustment Mechanism

## 1. Objectives and implementation of the CBAM

# The European Green Deal

- Union-wide goal of climate neutrality by 2050
- Target a net reduction in greenhouse gas emissions of at least 55% by 2030
- New target: 90% reduction by 2040

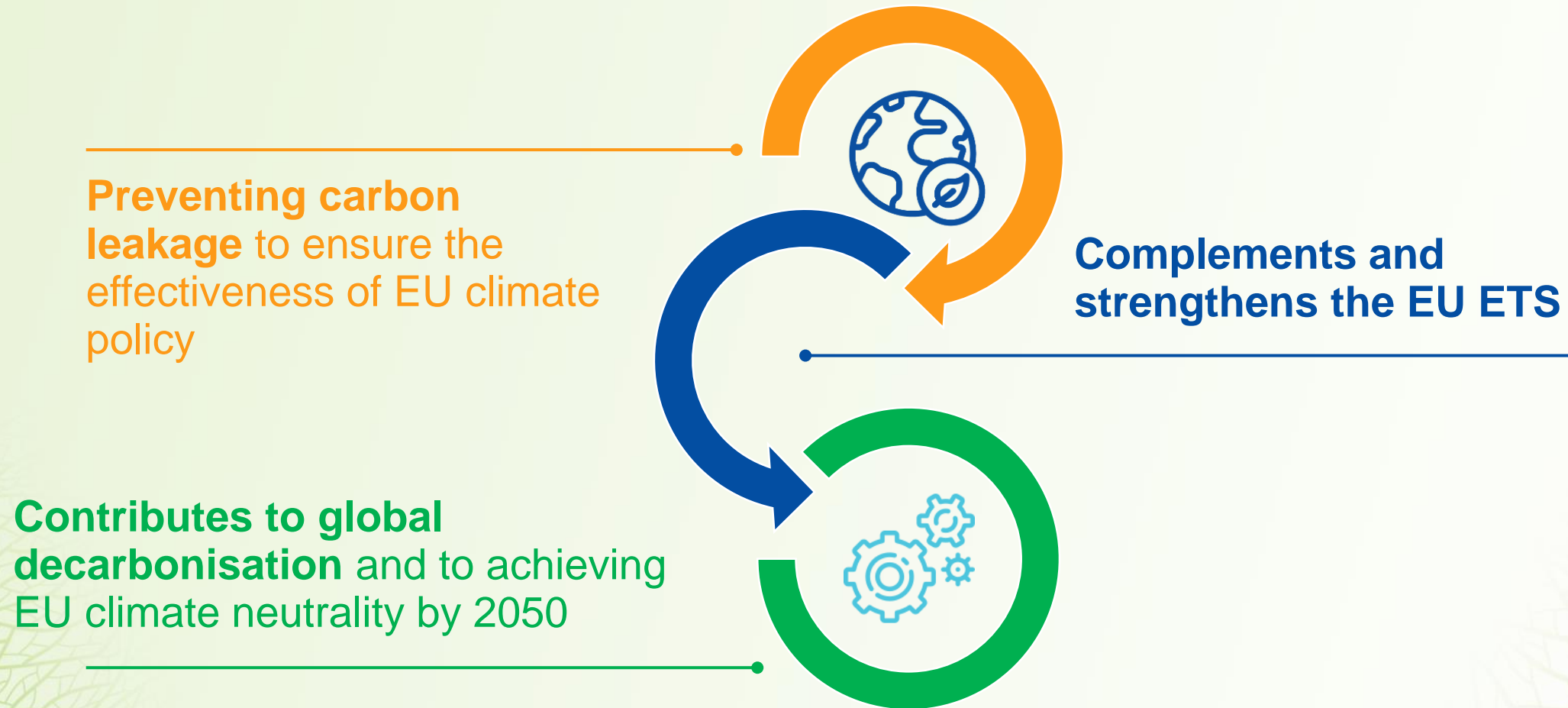
**A socially just transition**

**A competitive shift**

**An ecological transition**



# What is the objective of the CBAM?



# How do we do this?

Mirroring EU **carbon pricing** through new mechanism for imports into the EU

Addressed to companies, not countries, based on **actual carbon content** of imported goods



Aligning with **EU's international policies** and **legal commitments**, including WTO compatibility

Focusing on **carbon-intensive sectors**

Taking into account **carbon price effectively paid by third-country operator**

# What are the sectors in the scope?



**CEMENT**



**IRON AND STEEL**



**ALUMINIUM**



**FERTILIZERS**



**ELECTRICITY**



**HYDROGEN**

**Selected based on 3 criteria:**

- ✓ *High risk of carbon leakage (high carbon emissions; high level of trade)*
- ✓ *Cover a large share of greenhouse gas emissions from EU ETS sectors*
- ✓ *Practical feasibility*

**Exclusions** (less than €150 / countries linked to the EU ETS)

- In the future, the scope may be extended to a limited list of ETS sectors at risk of carbon leakage (such as refineries and organic chemicals), provided that such extension is justified on the basis of selected criteria

# Gradual implementation of CBAM

**Transitional period**  
October 2023 - December 2025

**Post-transitional period**  
January 2026 onwards

2023

2024

2025

2026

**Monitoring and reporting**  
(Implementing Regulation (EU)  
2023/1773)

## Review 2025

- Assessment feasibility / proportionality of scope extension post 2026, including to
  - a limited set of EU ETS sectors at risk of carbon leakage (e.g. refineries/ chemicals);
  - a selected number of downstream products which contain a high share of basic CBAM goods;
  - indirect emissions
- Impact on LDCs
- Progress in international climate discussions

Start of **gradual phase-in of CBAM**/phase-out of free ETS allocation



# Objectives of the CBAM transitional period

## ■ The transitional period is a **learning phase for all:**

- Understanding respective roles and tasks
- Collection of information
- Facilitate smooth roll-out of the mechanism after the transitional period

■ The information collected will allow the European Commission to **further specify and finalise the methodology and find synergies** with existing monitoring schemes

■ The information collected will feed into **the review by 2025** and provide further clarity of the functioning

■ **Reporting flexibilities** reflect the above and aim to introduce openness and balancing a smooth introduction with information needs

# Reporting obligations during the transitional period

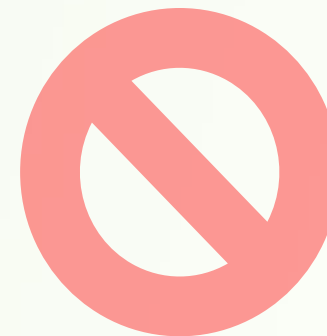
**October 2023 – December 2025**

## **CBAM report containing the following:**

- Total quantity of goods imported during the preceding quarter
- Total embedded direct and indirect emissions
- The carbon price due in the country of origin for the embedded emissions

**Report to be submitted quarterly**

**No verification of emissions by  
EU-accredited verifier**



**No CBAM certificates**

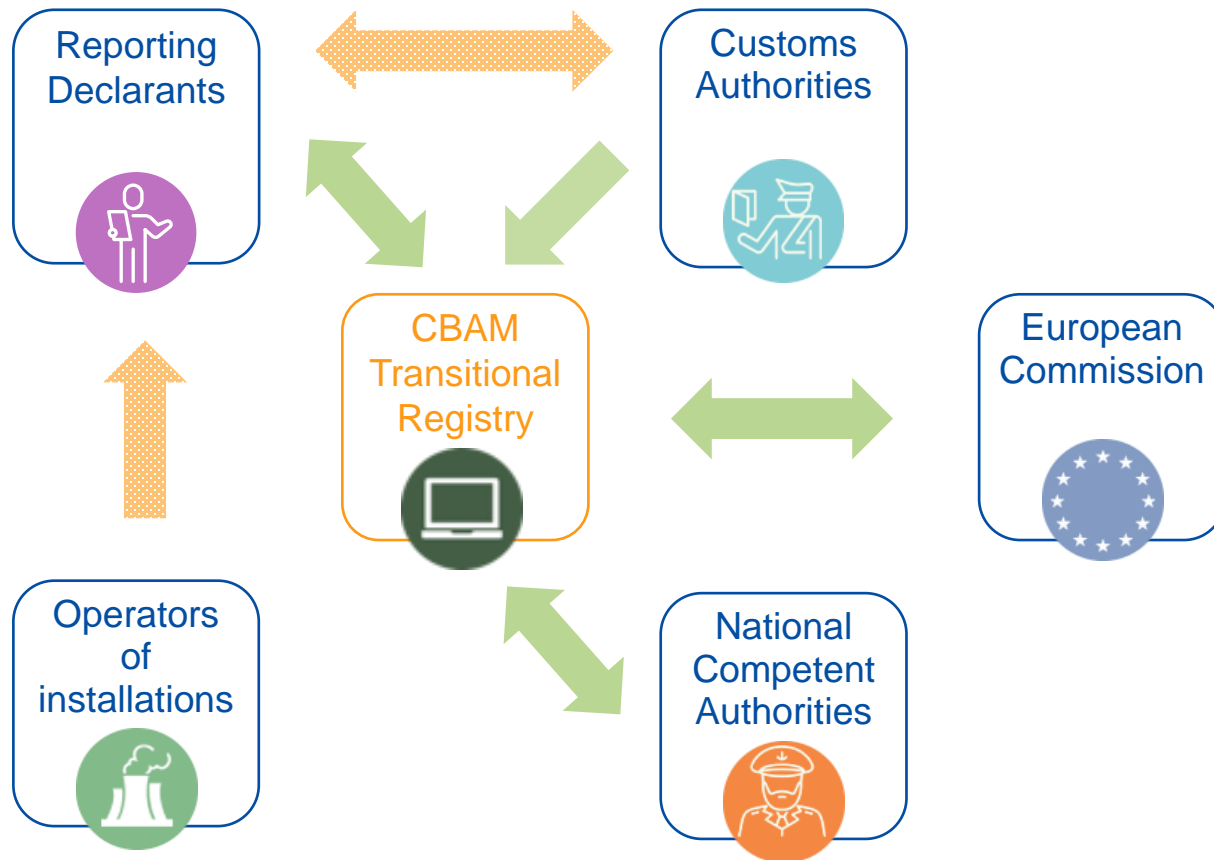
# The Carbon Border Adjustment Mechanism

## 2. CBAM Actors

# Overview of actors from 2023 to 2025

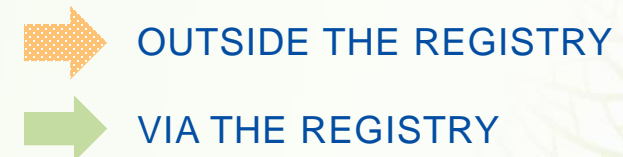


# The CBAM Transitional Registry



## Key highlights

- Single platform to create synergies
- Tool to perform CBAM-related tasks
- Secured platform to ensure confidentiality of information



# Appointments of NCAs

- **NCAs have three main responsibilities in CBAM implementation:**
  - Granting reporting declarants access to the CBAM Transitional Registry
  - Reviewing CBAM Reports
  - Dialoguing with reporting declarants, and applying penalties if necessary

# Who is the notifying declarant?

**Who are the relevant actors of the MAFC in a customs declaration of release for free circulation?**

**Importer (Article 3.15 of the CBAM Regulation):**

The person who files the declaration on his behalf and on his behalf or, in the case of indirect representation, the person on whose behalf the declaration is submitted.

**Customs declarant (Article 3.16 of the CBAM Regulation):**

Whoever submits the declaration on his behalf and on his behalf or the person on whose behalf the declaration is presented (see Article 5.15 of the Common Customs Code).

**Indirect representative (Article 18 UCC):**

Who files the return on your behalf and on behalf of the person you represent.

# Who is the reporting declarant?

## Who can be the reporting declarant, and who is responsible for the CBAM reporting obligation?

	Importer himself	Indirect customs representative
Importer is based in the EU	<p>Possible.</p> <p>Importer is responsible for CBAM reporting even if they hire a direct customs representative.</p>	<p>Possible.</p> <p>Either importer is responsible for CBAM reporting, or indirect customs representative agrees to take on the CBAM responsibility.</p>
Importer is not based in the EU	<p><i>Not possible</i></p>	<p>The importer <i>must</i> appoint an indirect customs representative.</p> <p>The latter takes on the reporting responsibility.</p>

*The EORI number of the reporting declarant will be reflected in the customs declaration*



# Inward processing

**What happens to goods subject to CBAM that are declared in the inward processing regime?**

- 1) Inward processing does not entail any CBAM obligation, unless the processed goods or products are released for free circulation or brought to the EEZ or continental shelf of an EU Member State, even if the processed products are not subject to CBAM.
- 2) Equivalent goods.
- 3) Simplification of Article 170 RD CAU.

# The Carbon Border Adjustment Mechanism

## 3. Emissions calculation and CBAM reporting

# What are the steps to comply with the reporting obligations?

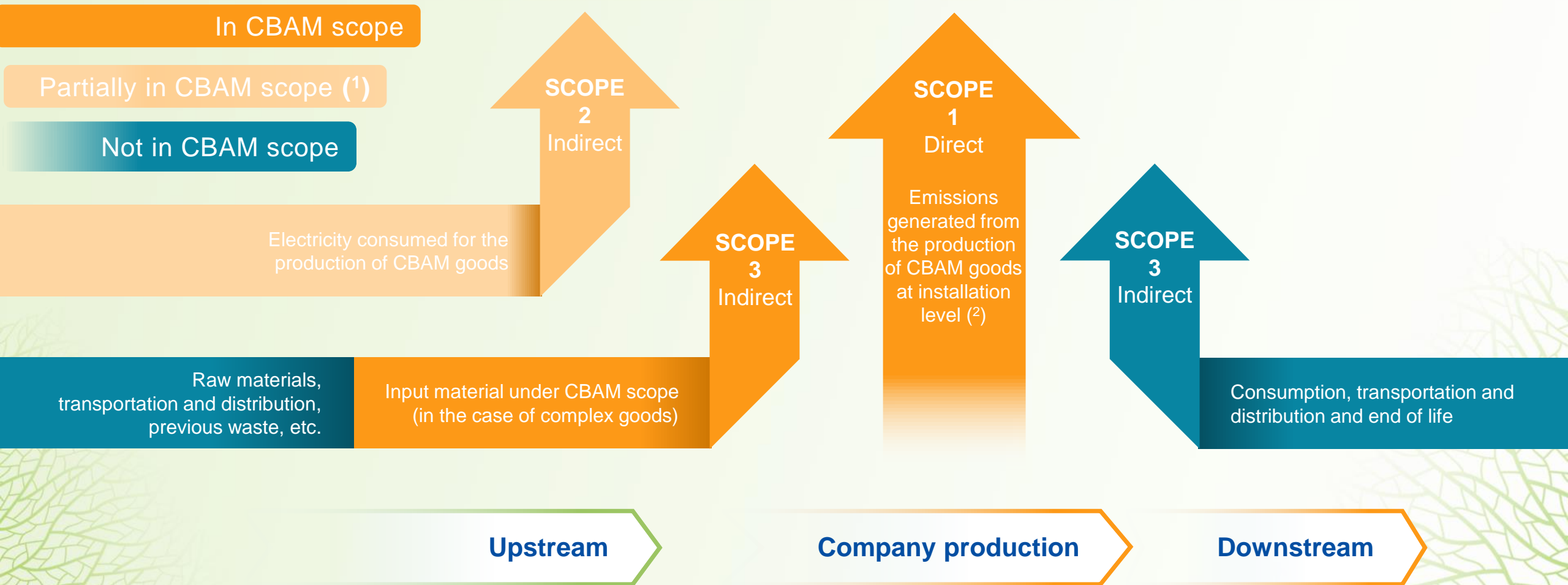
**Step 1:** Define the scope of goods concerned

**Step 2:** Determine the monitoring period to use

**Step 3:** Identify all the parameters you need to report

**Step 4:** Collect data on carbon price due in jurisdiction if any

# What is the scope for emissions during the transitional period?



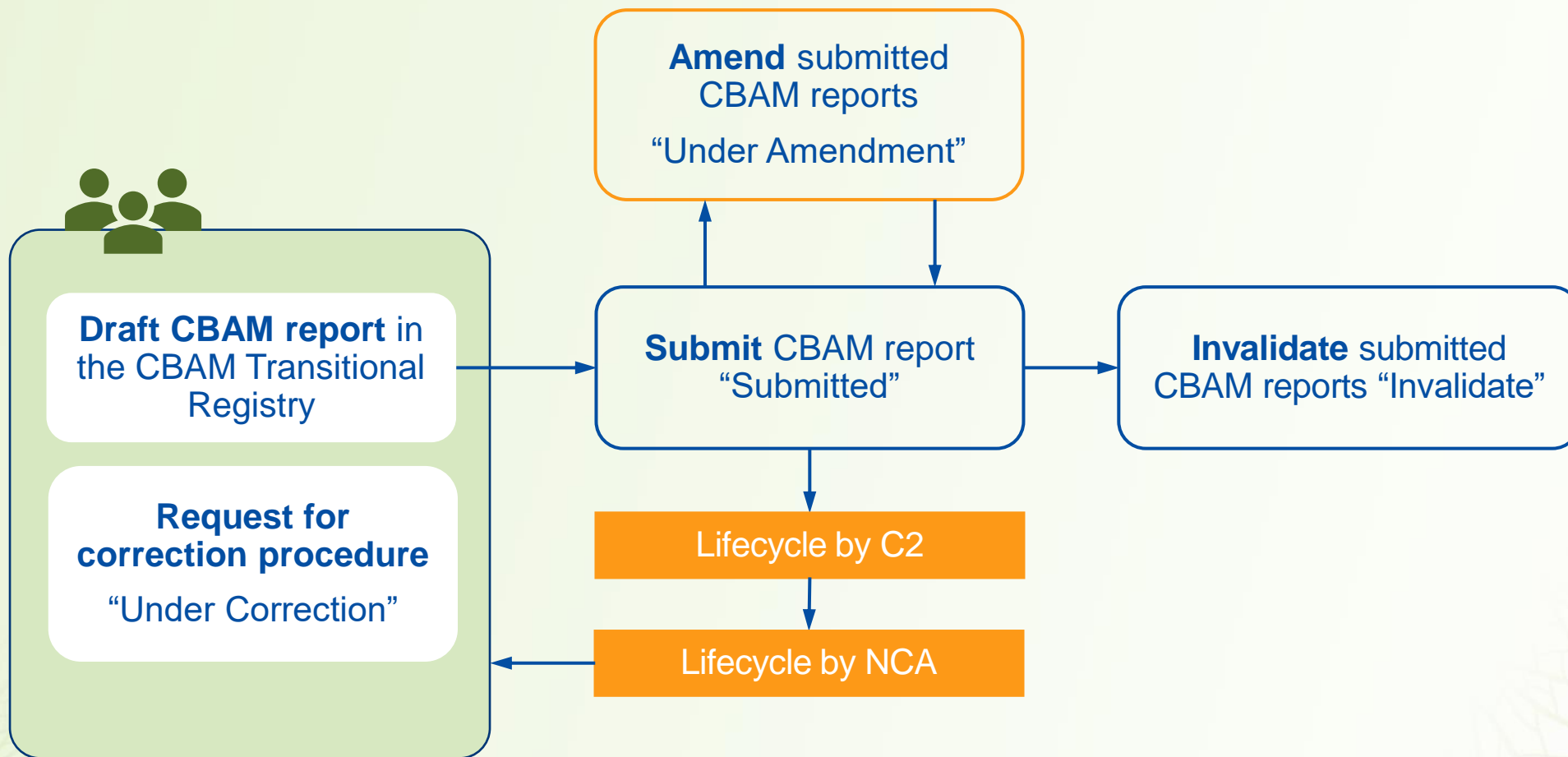
(1) For definitive period, scope 2 emission are currently in scope only for cement and fertilisers sectors.

(2) Direct emissions include emissions from the production of heating and cooling, even if that production takes place outside the installation.

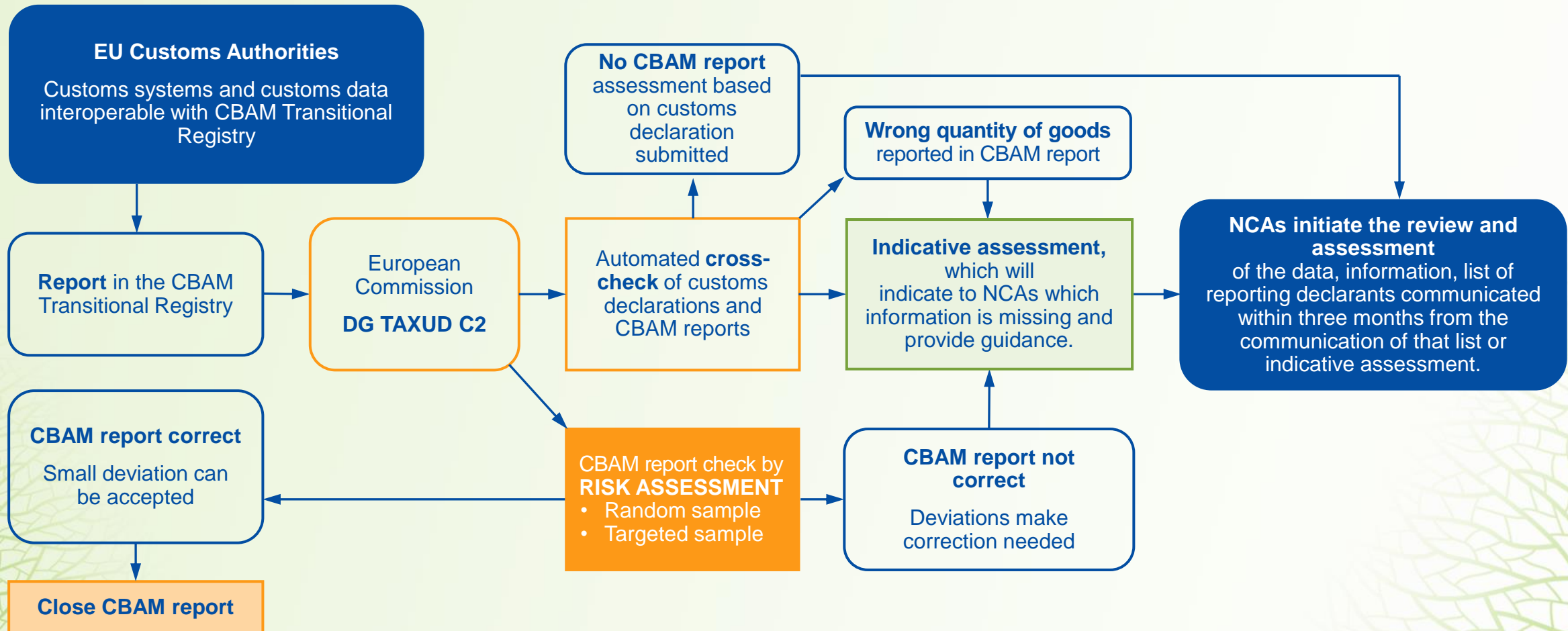
## Step 2: Monitoring – Other methods

- 1. Other monitoring and reporting methods** until 31 December 2024, if similar coverage and accuracy of emissions data:
  - a carbon pricing scheme where the installation is located, or
  - a compulsory emission monitoring scheme where the installation is located, or
  - an emission monitoring scheme at the installation which can include verification by an accredited verifier.
- 2. Other referenced methods** including default values until 31 July 2024
- 3. Estimation of up to 20%** of the total embedded emissions in the case of complex goods (includes the use of default values)

# Life cycle of CBAM reports declarants' perspective



# Life cycle of the CBAM reports from TAXUD C2 perspective



# Draft of the CBAM report in the Transitional Registry (1/4)

## 1. Requested procedure: 01 | Area of import:

### Area of import

Area of import

### Procedure

Requested procedure \*

Previous procedure



Please, only use a dot (.) to separate decimals.

### Goods measure (per procedure)

Add new

Inward processing

Net mass \*

Type of measurement unit \*


### Special references for goods

Additional information

512




# Draft CBAM report in the Transitional Registry (2/4)



## CBAM

Carbon Border Adjustment Mechanism

EORI/AT9999999941  
CbamDeclarant 

Home icon | Notification icon

Goods imported 76130000 Back Validate Save


CN code	Country of origin	Quantity	Goods imported total emissions
76130000	GB		0

Header info

Goods imported

[Add a good](#)

- 1. 72026000 | CN ✓  
1000 Tonnes | 1730 t CO2  
1 emissions
- 2. 73010000 | AU ✓  
0.5 Tonnes | 0.8700000 t CO2  
1 emissions
- 3. 28041000 | GB ✓  
1500 Tonnes | 15600 t CO2  
1 emissions
- 4. 76130000 | GB  
| 0 Tonnes  
1 emissions  
[Add an emission](#)

1. | 

1. |

[Installations](#) | [Emissions](#) | [Parameters](#) | [Carbon price due](#) | [Supplementary](#)

Country of production \*

The company name of the installation

The company name of the installation Delete

Search in third country installation operators registry

Operator ID \*  17 | Operator name \*  70

**Address**

Country code \*  35 | Sub-division  35 | City \*  35

Street  70 | Street additional line  70 | Number  35

Postcode  17 | P.O. Box  70



# Draft CBAM report in the Transitional Registry (3/4)

1. |

Installations **Emissions** Parameters Carbon price due Supplementary

**i** Please, only use a dot (.) to separate decimals.

**Goods measure (produced)**  
 Net mass \*  Type of measurement unit \*

**Direct embedded emissions**

**i** If you intend to report a default value made available and published by the Commission, the default value corresponding to this CN code is 2.86 t CO2/unit of product

Type of determination \*  Type of applicable reporting methodology \*  Additional Information

Specific direct embedded emissions \*  t CO2/unit Type of measurement unit \*

**Indirect embedded emissions**

**i** If you intend to report a default value made available and published by the Commission, the default value corresponding to this CN code is 9.25 t CO2/unit of product

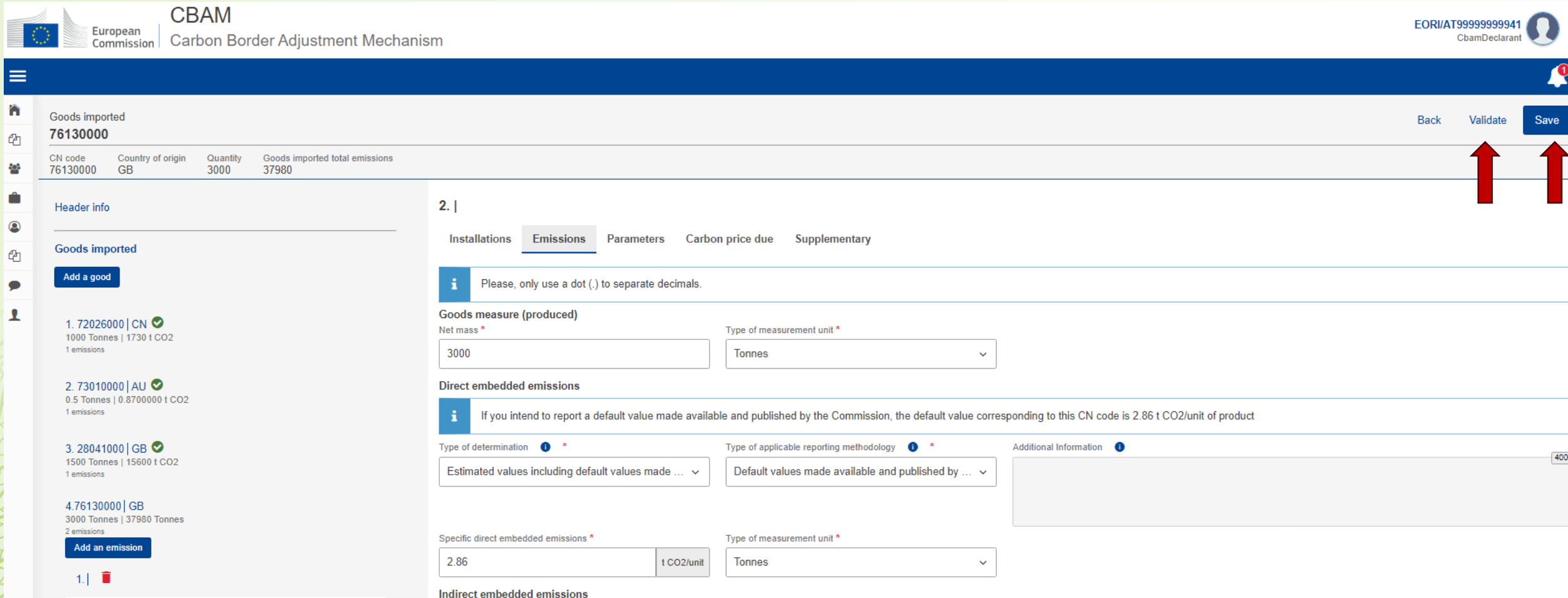
Type of determination \*  Source of emission factor \*  Source of electricity \*  Other source indication

Electricity consumed \*  MWh/unit Emission factor \*  t CO2/MWh Specific indirect embedded emissions \*  t CO2/unit Type of measurement unit \*

**Installation emissions**

Installation total emissions	Installation direct emissions	Installation indirect emissions	Type of measurement unit for emissions *
<input type="text" value="36330"/> t CO2	<input type="text" value="8580.0000000"/> t CO2	<input type="text" value="27750.0000000"/> t CO2	<input type="text" value="Tonnes"/>

# Draft CBAM report in the Transitional Registry (4/4)



**CBAM**  
Carbon Border Adjustment Mechanism

EORI/AT99999999941  
CbamDeclarant

Goods imported  
**76130000**

CN code	Country of origin	Quantity	Goods imported total emissions
76130000	GB	3000	37980

Header info

Goods imported

[Add a good](#)

- 1. 72026000 | CN ✓  
1000 Tonnes | 1730 t CO2  
1 emissions
- 2. 73010000 | AU ✓  
0.5 Tonnes | 0.8700000 t CO2  
1 emissions
- 3. 28041000 | GB ✓  
1500 Tonnes | 15600 t CO2  
1 emissions
- 4. 76130000 | GB  
3000 Tonnes | 37980 Tonnes  
2 emissions  
[Add an emission](#)

2. |

Installations Emissions Parameters Carbon price due Supplementary

**i** Please, only use a dot (.) to separate decimals.

**Goods measure (produced)**

Net mass \*  Type of measurement unit \*

**Direct embedded emissions**

**i** If you intend to report a default value made available and published by the Commission, the default value corresponding to this CN code is 2.86 t CO2/unit of product

Type of determination \*  Type of applicable reporting methodology \*  Additional Information

Specific direct embedded emissions \*  t CO2/unit Type of measurement unit \*

Indirect embedded emissions

Back Validate **Save**

# Reporting deadlines during the transitional period

REPORTING PERIOD	SUBMISSION DUE BY	MODIFICATION POSSIBLE UNTIL*
2023: October – December	2024: January 31	2024: July 31
2024: January – March	2024: April 30	2024: July 31
2024: April – June	2024: July 31	2024: August 30
2024: July – September	2024: October 31	2024: November 30
2024: October – December	2025: January 31	2025: February 28
2025: January – March	2025: April 30	2025: May 31
2025: April – June	2025: July 31	2025: August 31
2025: July – September	2025: October 31	2025: November 30
2025: October – December	2026: January 31	2026: February 28

*\*After the modification deadline, reporting declarants may request reopening of the file before the NCA for eventual corrections.*

# The Carbon Border Adjustment Mechanism

## 4. Future of the CBAM

## Secondary legislation

## Reports

## Legal Amendments

## Other

Q3  
2024

Q4  
2024

Q1  
2025

Q2  
2025

Q3  
2025

Q4  
2025

IA: conditions for the authorisation of CBAM declarants

IA: customs procedures and communication for CBAM

DA: conditions for the sale and repurchase of CBAM certificates

IA: calculation of emissions and CBAM declarations

General report on the implementation of the CBAM Regulation

Assess and report on how NDCI financing contributed to the decarbonization of manufacturing in LDCs.

IA: technical provisions for the CBAM Registry

IA: Accreditation of verifiers and principles of verification

IA: Carbon price and price of certificates

Report on the conditions to be exempted from CBAM for electricity

DA: conditions for accreditation and verifiers

IA: Adjustment for free allocation

Amendments to CBAM Regulation policies

Report on possible extension to downstream products

Technical amendments to the CBAM Regulation

Risk analysis and development of a risk management system

# Analytical workflows and milestones expected for 2024 onwards (1/2)



Possible extension of the scope of the CBAM to products downstream in the value chain

Report to co-legislators  
End of 2024



Possible extension of the scope of the CBAM to other goods and to the transport of CBAM goods

Report to co-legislators  
Mid-2025



CBAM methodologies for calculating embedded emissions after the transitional period

Implementing Act on calculation of embedded emissions and on CBAM declarations  
Mid-2025



Calculation of embedded emissions in imported electricity

Implementing Act on calculation of embedded emissions and on CBAM declarations  
Mid-2025



Indirect emissions

Report to co-legislators  
Implementing act on calculation of embedded emissions and on CBAM declarations  
Mid-2025

## Analytical workflows and milestones planned for 2024 onwards (2/2)



Verification and accreditation

Implementing Act on the scope of accreditation and verification principles

Delegated act on the accreditation process

End of 2024



Defaults for the CBAM definitive period

Mid-2025



Adjustment of Free Allocation

Implementing Act on the adjustment for free allocation

Mid-2025



Carbon price paid in third countries

Implementing Act on the carbon price and the price of certificates

Mid-2025



# Guidance and support by the Commission

## Training

- E-learning (General and sector-specific)
- Webinars (General and sector-specific)

## Guidance

- Tailored guidance documents for:
- Producers in third countries
  - Reporting declarants

## Template

Excel-based template to facilitate data collection and information exchange

## Dedicated information portal

Dedicated Commission website with all information (see next slide)

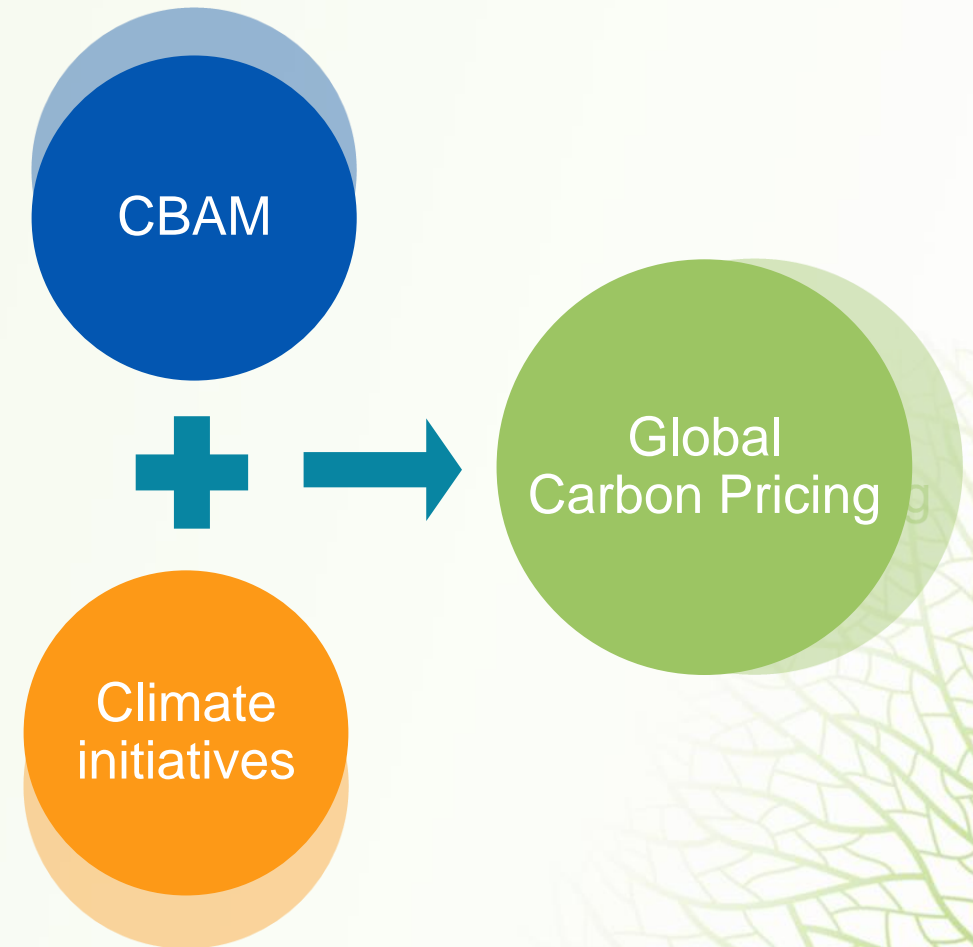
## IT reporting interface

- The CBAM Transitional Registry
- Detailed guidance for users

# CBAM is an internationally open mechanism

- **CBAM can be complemented** by bilateral, multilateral and international cooperation with non-EU countries
- **Establishment of dialogues** with countries with carbon pricing instruments
- **Building on other initiatives** such as G7's "Climate Club", OECD's "Inclusive Forum for Climate Mitigation Approaches"

▶ **Paving the way** for ambitious climate policies and global carbon pricing



## Where to find further information on CBAM?

Visit the CBAM webpage regularly – our one-stop shop

[https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism\\_en](https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en)

- Link to the CBAM Transitional Registry
- 2 guidance documents and communication template
- Provisional list of NCAs
- Registration to dedicated webinars
- Links to recordings of webinars through the [Customs and Tax EU Learning portal](#)
- Link to our E-learning materials through the [Customs and Tax EU Learning portal](#)
- Q&A and factsheet

# The Carbon Border Adjustment Mechanism

**Thank you for your attention!**

If you have any questions and/or are interested in participating in future information sessions on the CBAM, please contact us:

[TAXUD-CBAM@ec.europa.eu](mailto:TAXUD-CBAM@ec.europa.eu)