



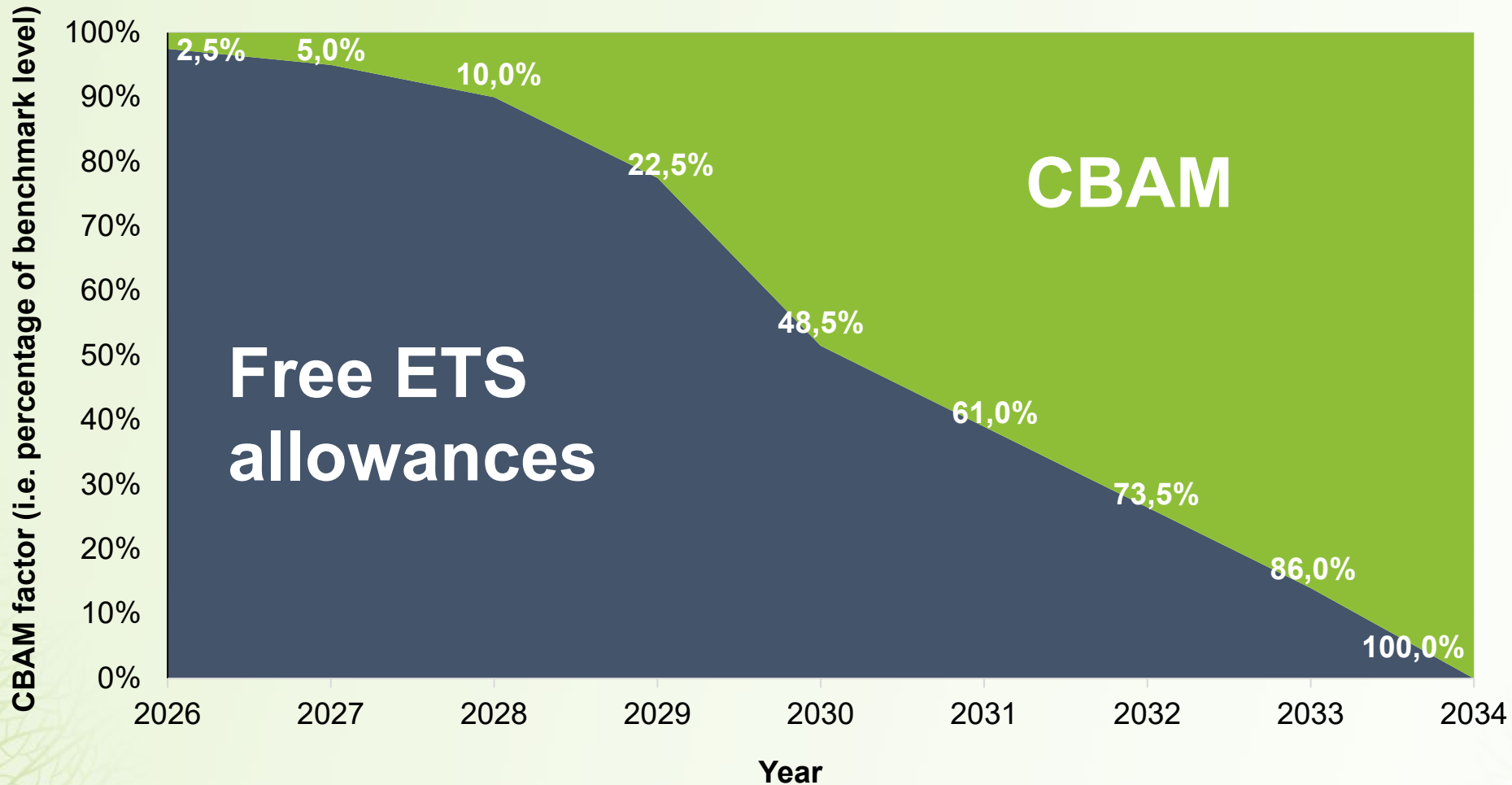
# Implementation challenges of the Carbon Border Adjustment Mechanism (CBAM)

15<sup>th</sup> EU ETS Compliance Conference

Brussels, 27 November 2024

DG TAXUD.C2

# CBAM rationale: phasing-out of free allocation under EU ETS



# What are the sectors in scope?



**CEMENT**



**IRON & STEEL**



**ALUMINIUM**



**FERTILISER**



**ELECTRICITY**



**HYDROGEN**

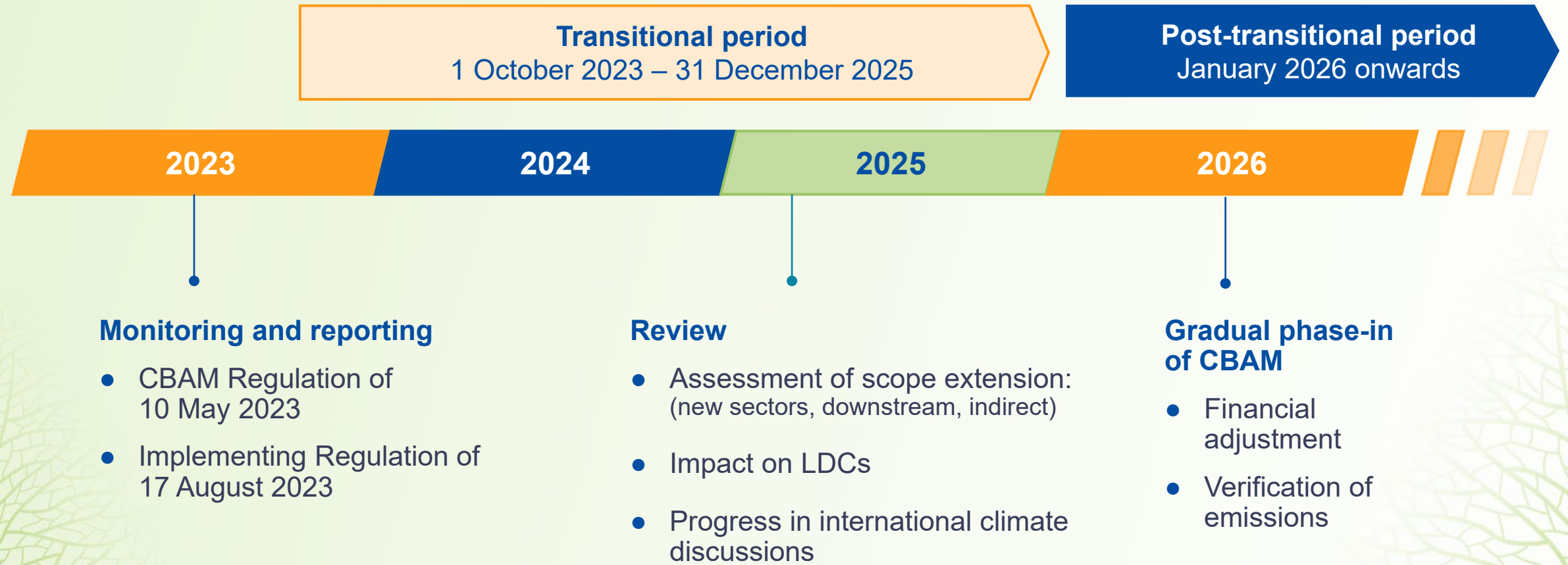
**Selected on the basis of 3 criteria:**

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

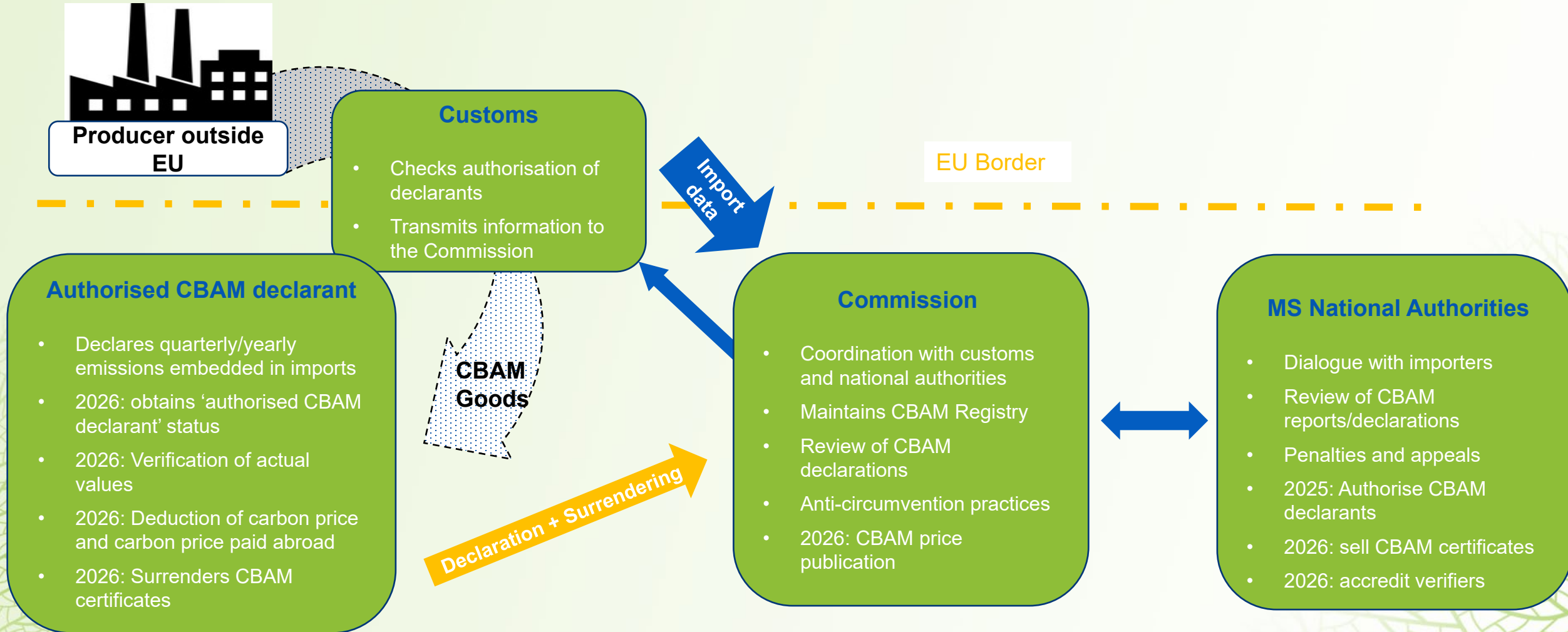
**Exclusions** (under 150 € / countries linked with the EU ETS)

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

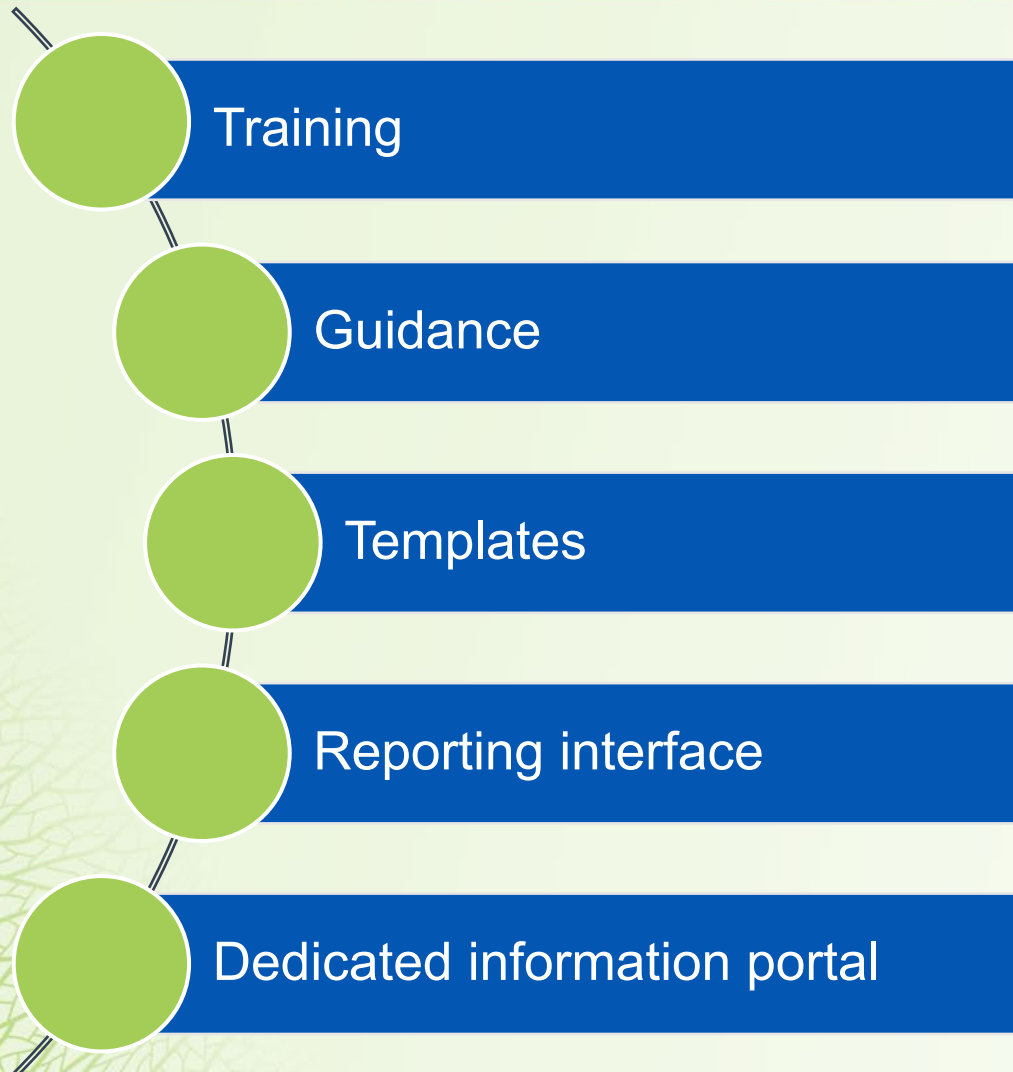
# Gradual implementation of CBAM



# Practical implementation during transitional period



# Guidance and support by the Commission



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

## **Tailored guidance documents for:**

- Producers in third countries
- Reporting declarants

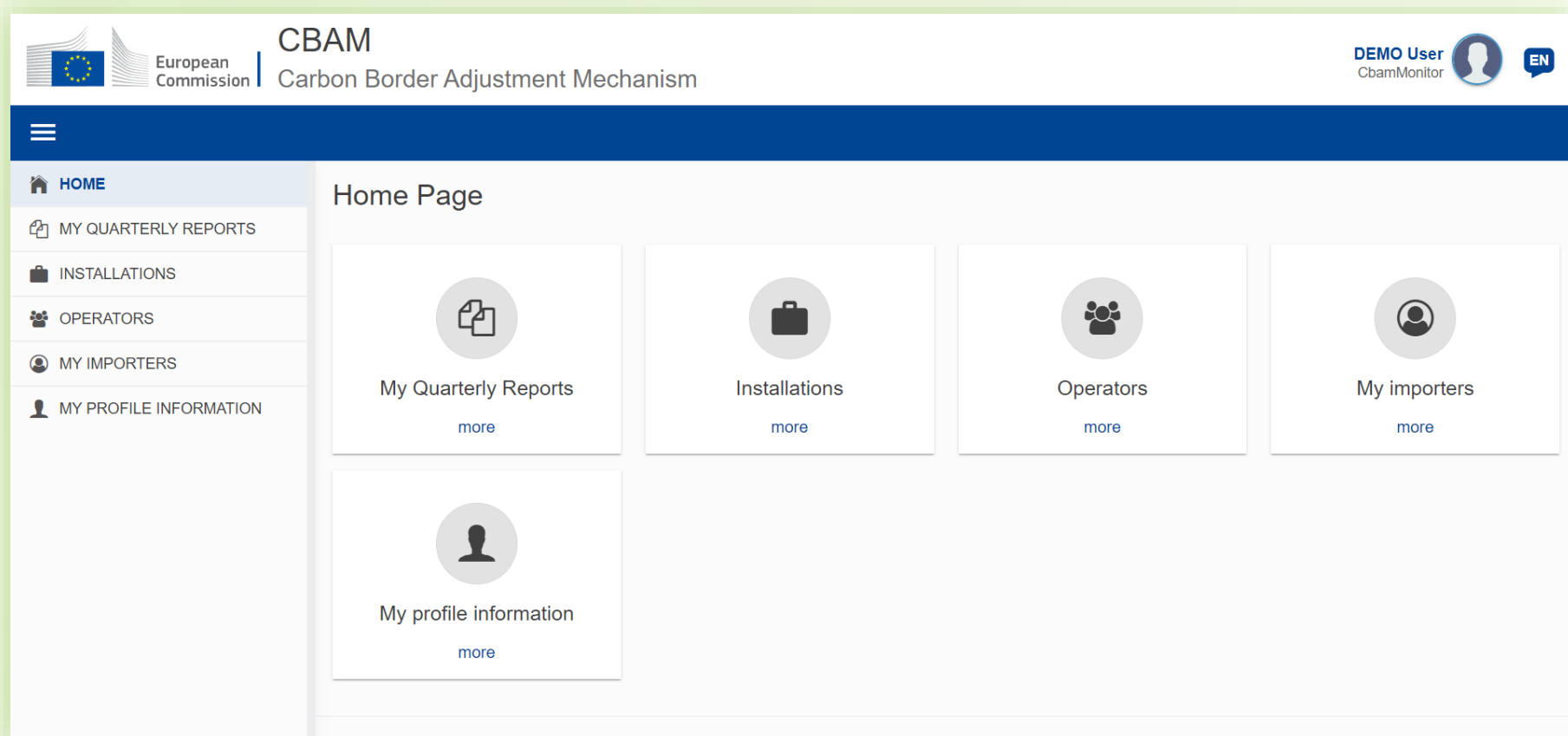
**Excel-based template** to facilitate data collection and information exchange

- **The CBAM Transitional Registry**
- User manual for Declarants

**Commission webpage** with all CBAM-related information

# Design of the CBAM Transitional Registry

<https://cbam.ec.europa.eu/declarant>



The screenshot displays the user interface of the CBAM Transitional Registry. At the top left, the European Commission logo is visible. The main header area contains the text "CBAM Carbon Border Adjustment Mechanism". On the top right, the user is identified as "DEMO User" with the role "CbamMonitor", accompanied by a profile icon and a language selector set to "EN". A blue navigation bar with a hamburger menu icon is positioned below the header. A left-hand sidebar lists the following menu items: HOME, MY QUARTERLY REPORTS, INSTALLATIONS, OPERATORS, MY IMPORTERS, and MY PROFILE INFORMATION. The main content area, titled "Home Page", features five interactive cards. Each card consists of a circular icon, a title, and a "more" link. The cards are: "My Quarterly Reports" (document icon), "Installations" (briefcase icon), "Operators" (group of people icon), "My importers" (person with magnifying glass icon), and "My profile information" (person icon).

# Review of quarterly CBAM reports

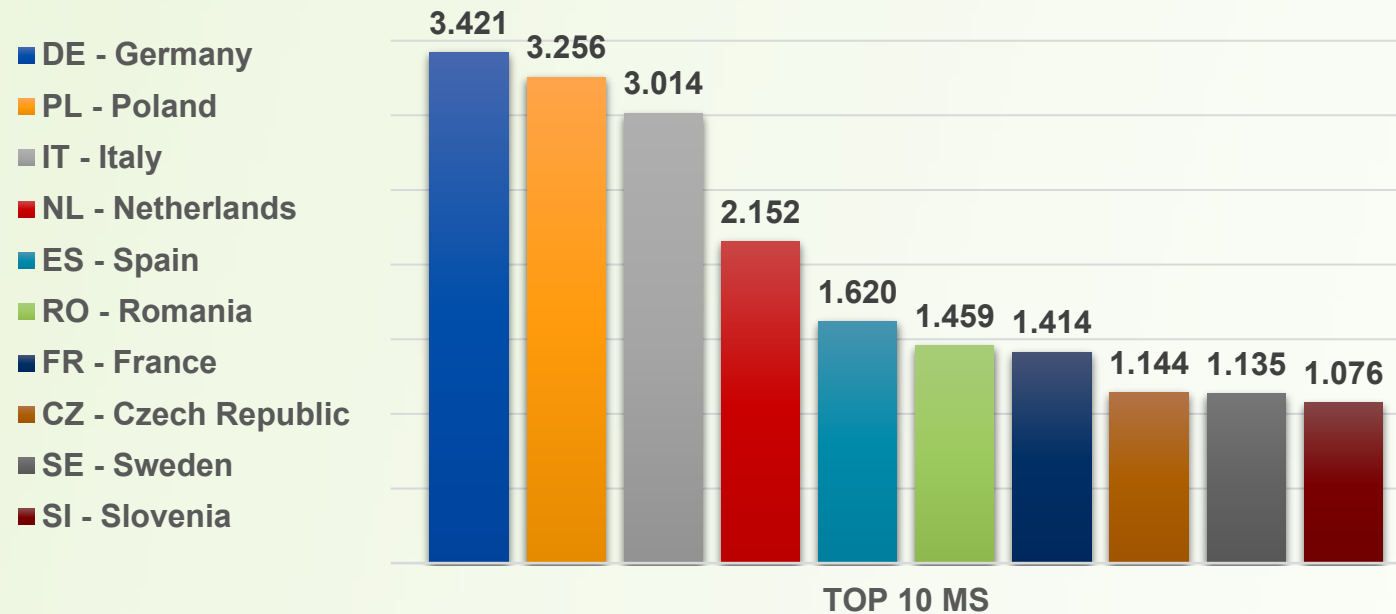
REPORTING PERIOD	SUBMISSION DUE BY	MODIFICATION POSSIBLE UNTIL*
<b>2023:</b> October – December	<b>2024:</b> January 31	<b>2024:</b> July 31
<b>2024:</b> January – March	<b>2024:</b> April 30	<b>2024:</b> July 31
<b>2024:</b> April – June	<b>2024:</b> July 31	<b>2024:</b> August 30
<b>2024:</b> July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

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



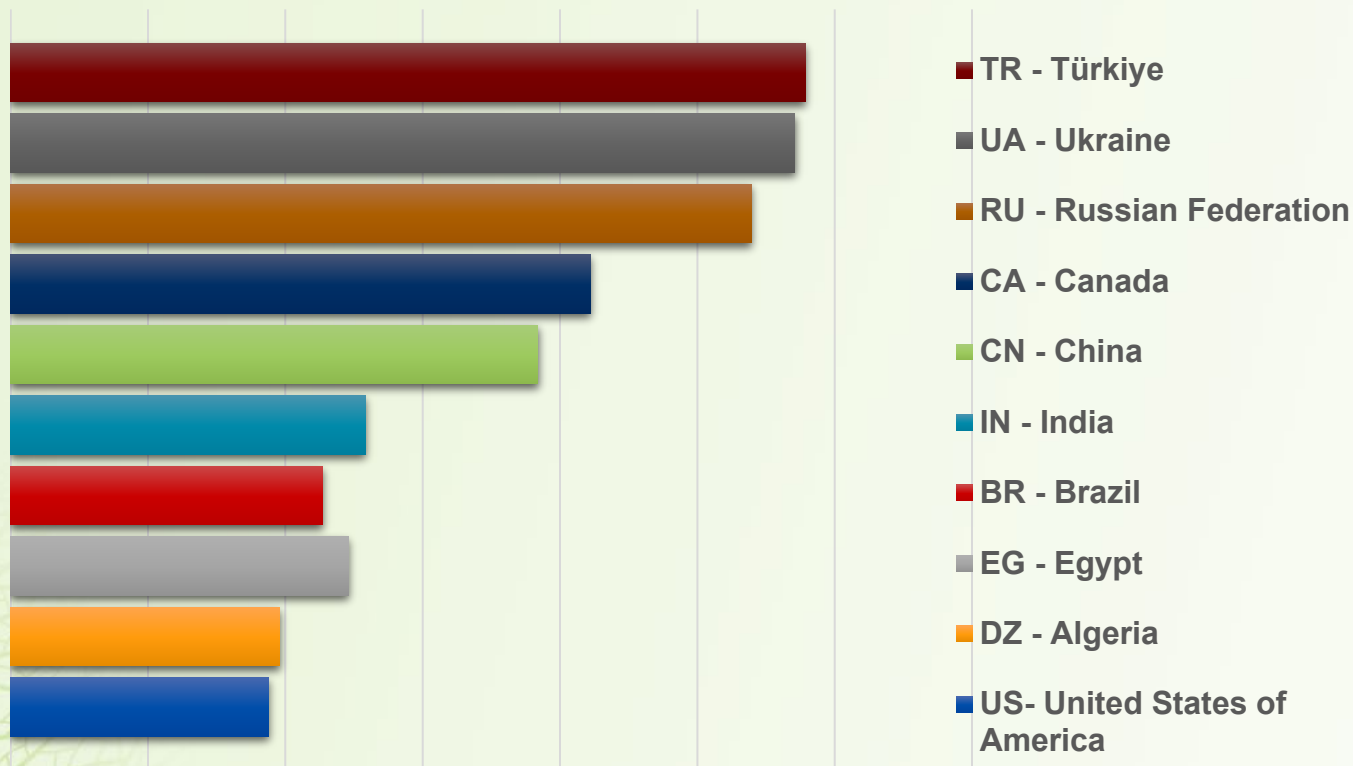
# Where do most CBAM declarants come from ?

## TOP 10 MS in number of declarants who submitted CBAM reports – status as of 31 October 2024



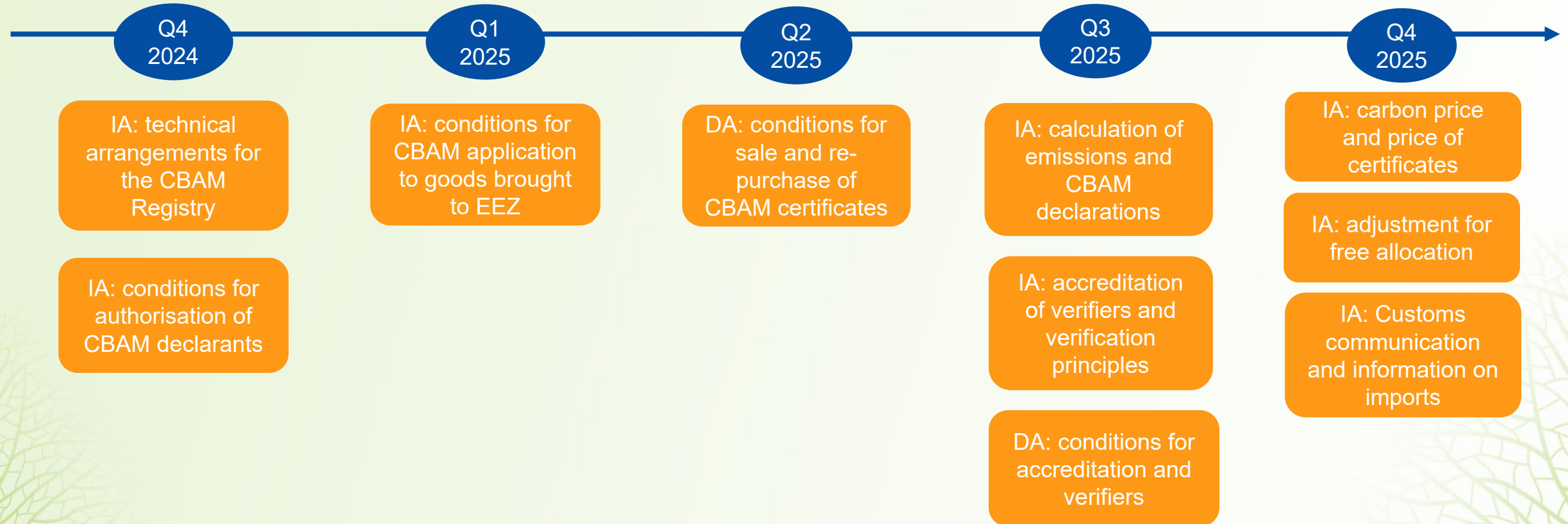
# Where did the most CBAM goods come from?

## TOP 10 Countries of Origin in tons of imported goods

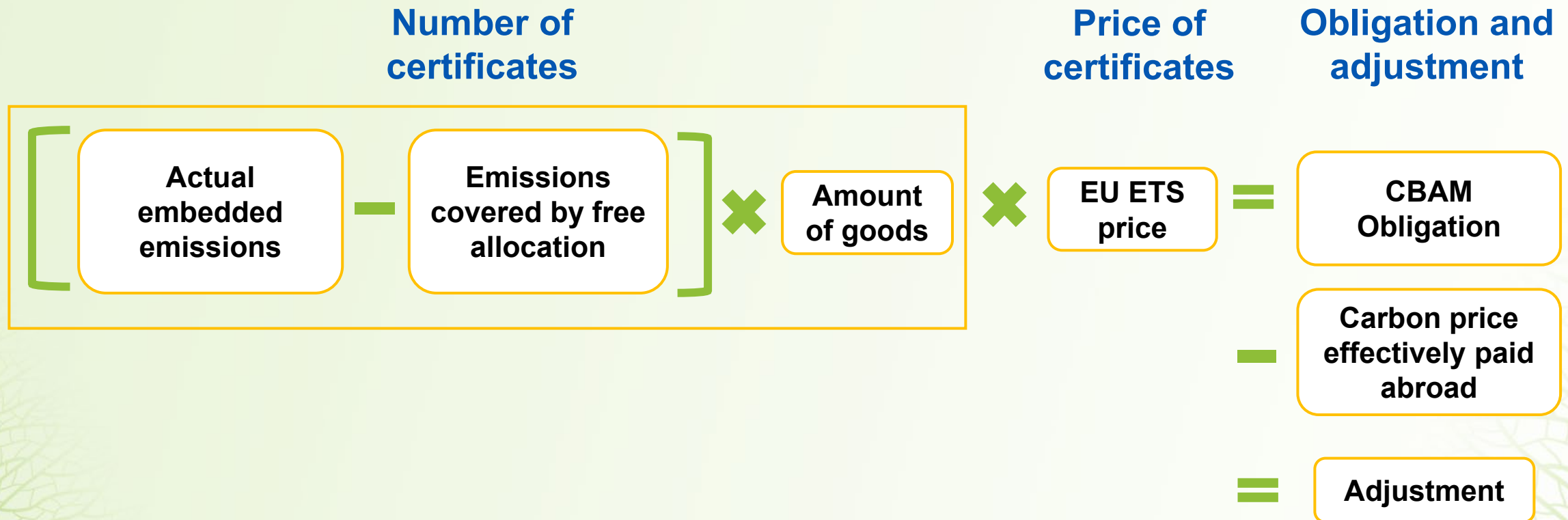


- 4 main industrial CBAM sectors are represented: Iron & Steel, Fertilizers, Cement, Aluminium
- In terms of *number of imports*, China is the number #1 Country of Origin

# Secondary legislation to implement CBAM



# Calculation of the CBAM adjustment



# CBAM accreditation and verification

European Co-operation  
for Accreditation (EA)



Peer evaluation of  
Member States' national  
accreditation bodies



Member States' National  
Accreditation Body



Accreditation and  
surveillance of verifiers



Verifier



Visits operator's  
installation and issues  
one verification report  
per installation



Third country operator



Sells CBAM goods to various  
importers.  
Transmits calculation of  
emissions and verification  
report.



CBAM Registry



National Competent  
Authority



Review of CBAM declaration and  
verification report. NCAs may impose  
penalties on declarants



Commission



Submit CBAM declaration  
containing verification  
report of each installation



CBAM declarants



# CBAM simplification package in 2025?

**Lessons learnt** from the transitional period create opportunities for simplifying and reducing the administrative burden. For example:

- Simplification for occasional importers of small quantities of CBAM goods.
- Review the requirement to purchase CBAM certificates corresponding to 80% of emissions (based on default values) from 2026.
- ...

# The Carbon Border Adjustment Mechanism

**Thank you for your attention!**

**If you have any questions, please contact us:**

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