



2021/0214(COD)

22.11.2021

DRAFT OPINION

of the Committee on International Trade

for the Committee on Environment, Public Health and Food Safety

on the proposal for a regulation of the European Parliament and of the Council
establishing a carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Rapporteur for opinion: Karin Karlsbro

(*) Associated committee – Rule 57 of the Rules of Procedure

PA_Legam

SHORT JUSTIFICATION

The world is experiencing a climate emergency and there is no time to waste fighting climate change. We already see the disastrous effects of global warming every day. The climate crisis does not comprehend national borders and thus the response must be united global action. Together the world has set up the goals in the Paris Agreement with the sole ambition of keeping global warming to below 1.5°C. By the end of 2020 we have already reached a global warming of 1.18°C and the increase is still picking up pace.

It is clear that we all must do more to stop and prevent climate change. The only way to reach the goal set out in the Paris Agreement is to act swiftly and to take extraordinary measures to drastically reduce global greenhouse gas emissions, particularly carbon emissions. Science shows that the most efficient way to do this would be through imposing a high global price on carbon emissions, to simply ensure that the polluter pays principle becomes a global principle.

The European Union must take the lead in this global work and we must lead by example. We must show the rest of the world that growth, openness, sustainable trade and prosperity also goes hand in hand with sharp reductions of carbon emissions. We must initiate global multilateral cooperation on carbon reduction and support least developed countries (LDCs) to make the green transition possible also for them.

We have in the Union solidified our own responsibilities towards the Paris Agreements by deciding to reduce emissions by at least 55% by 2030 and to be climate neutral by 2050 at the latest. But we must ensure that we by raising our own climate ambitions do not simply pass on our emissions to third countries with lower ambitions. In such a situation we would only have reached our goals on paper but we would not reduce emissions sufficiently to avoid a climate disaster. To avoid this we need to ensure that all emissions for goods consumed, used and produced in the EU pay a high enough carbon price to incentivise sufficient emission reductions. This is why we need a Carbon Border Adjustment Mechanism (CBAM).

The CBAM must be a mechanism with the sole aim of reducing global carbon emission by preventing carbon leakage from the European Union.

The CBAM will act as a complement to a revised EU ETS with increased climate ambition and it will ensure that the polluter pays principle is applied on all goods with large production emissions, regardless of where they are produced. It must be a fair mechanism, both to ensure its efficiency and to ensure conformity with our international agreements. In the end it must create an environment where all producers, domestic as well as international, are incentivised to decarbonise.

The CBAM must be as easy to use as possible and must not create undue barriers to trade, and therefore cannot be an exact replica of the EU ETS. At the same time the mechanism can never benefit domestic production over imports and thus any differences between the CBAM and the EU ETS must always be justifiable by enhancing efficiency and usability. To be in line with this the introduction of the CBAM must be accompanied by a swift phase out of the free allowances within the EU ETS, for the sectors covered by the CBAM. The need to avoid discrimination and to ensure that the sole aim of the CBAM is global carbon reduction also makes any other kind of rebate on our domestic production incompatible with the CBAM.

The CBAM is one part of the Unions international climate agenda and must be accompanied

by initiatives for multilateral and bilateral cooperation on climate and carbon reduction. In line with this any revenues generated by the CBAM, or the equivalent in financial value, above the costs of administering the system shall be used for climate action in LDCs. This would help assure that the sole aim of the CBAM is global carbon reduction, a necessity for the mechanism to be in line with our WTO commitments.

Ideally the CBAM would be applied on all emissions covered by the EU ETS but given the complexity of setting up such a system with no model to base it on and the importance of not unnecessarily disrupting trade flows it is reasonable to limit the mechanism to the largest causes of production emissions in a first stage. The same rationale holds for indirect emissions in production. Once the efficiency of the system has been proven and the technical details have been put into place the Commission shall assess how to best expand the CBAM. Indirect emissions and downstream products using goods already covered by the CBAM should be among the first extensions reviewed.

The Union's economy and prosperity is built on the fact that we are an open economy and the CBAM must be viewed as a tool to further advance our work to expand sustainable rules-based trade. Only by cooperation and openness will we find the most efficient way to reduce global climate emissions.

The Union must take the opportunity that the CBAM presents to show our partners that we mean what we say regarding climate policy. Only by properly pricing carbon emissions and by working together can we reach the goals set out by the Paris Agreement and avoid a climate disaster.

AMENDMENTS

The Committee on International Trade calls on the Committee on Environment, Public Health and Food Safety, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Commission has, in its communication on the European Green Deal, set out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions (emissions after deduction of removals) of greenhouse gases ('GHG emissions') in 2050 and where economic growth is decoupled from resource use. The European Green Deal also aims to protect,

Amendment

(1) The Commission has, in its communication on the European Green Deal, set out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, **open,** resource-efficient and competitive economy, where there are no net emissions (emissions after deduction of removals) of greenhouse gases ('GHG emissions') in 2050 and where economic growth is decoupled from resource use. The European Green Deal also aims to protect,

conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, that transformation must be just and inclusive, leaving no one behind. The Commission also announced in its EU Action Plan: Towards Zero Pollution for Air, Water and Soil the promotion of relevant instruments and incentives to better implement the polluter pays principle as set out in Article 191(2) of the Treaty on the Functioning of the European Union ('TFEU') and thus complete the phasing out of 'pollution for free' with a view to maximising synergies between decarbonisation and the zero pollution ambition.

conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, that transformation must be just and inclusive, leaving no one behind. The Commission also announced in its EU Action Plan: Towards Zero Pollution for Air, Water and Soil the promotion of relevant instruments and incentives to better implement the polluter pays principle as set out in Article 191(2) of the Treaty on the Functioning of the European Union ('TFEU') and thus complete the phasing out of 'pollution for free' with a view to maximising synergies between decarbonisation and the zero pollution ambition.

Or. en

Amendment 2

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) Combatting climate change and keeping global warming to under 1.5°C will require global action. The Union must not only lead by example, by eliminating its own emissions, but also cooperate with its partners to create an open multilateral global system where sustainable trade acts as a key enabler of the green transition.

Or. en

Amendment 3

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) The initiative for a carbon border adjustment mechanism ('CBAM') is a part of the 'Fit for 55 Package'. That mechanism is to serve as an essential element of the EU toolbox to meet the objective of a climate-neutral Union by 2050 in line with the Paris Agreement by addressing risks of carbon leakage resulting from the increased Union climate ambition.

Amendment

(9) The initiative for a carbon border adjustment mechanism ('CBAM') is a part of the 'Fit for 55 Package'. That mechanism is to serve as an essential element of the EU toolbox, ***which should always be in line with the polluter pays principle***, to meet the objective of a climate-neutral Union by 2050 in line with the Paris Agreement by addressing risks of carbon leakage resulting from the increased Union climate ambition ***and which would ultimately lead to increased global emissions if unaddressed***.

Or. en

Amendment 4

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Existing mechanisms to address the risk of carbon leakage in sectors or sub-sectors at risk of carbon leakage are the transitional free allocation of EU ETS allowances and financial measures to compensate for indirect emission costs incurred from GHG emission costs passed on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC. However, free allocation under the EU ETS weakens the price signal that the system provides for the installations receiving ***it*** compared to full auctioning and thus affects the incentives for investment into further abatement of emissions.

Amendment

(10) Existing mechanisms to address the risk of carbon leakage in sectors or sub-sectors at risk of carbon leakage are the transitional free allocation of EU ETS allowances and financial measures to compensate for indirect emission costs incurred from GHG emission costs passed on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC. However, ***both*** free allocation under the EU ETS ***and compensation for indirect emission costs*** weaken the price signal that the system provides, ***and thus weaken the idea of the polluter pays principle***, for the installations receiving ***them*** compared to full auctioning and thus affects the incentives for investment into further abatement of

emissions.

Or. en

Amendment 5

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) The CBAM seeks to replace these existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic products. To ensure a gradual transition from the current system of free allowances to the CBAM, the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are phased out. The combined and transitional application of EU ETS allowances allocated free of charge and of the CBAM should in no case result in more favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

Amendment

(11) The CBAM seeks to replace these existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic products, ***thereby ensuring that carbon emissions on goods consumed and used in the Union are priced equally and that the polluter pays principle applies, regardless of where the emissions have taken place.*** To ensure a ***rapid*** gradual transition from the current system of free allowances to the CBAM, the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are phased out. The combined and transitional application of EU ETS allowances allocated free of charge and of the CBAM should in no case result in more favourable treatment for Union goods compared to goods imported into the customs territory of the Union. ***The rapid phasing out of free allowances in combination with the CBAM will ensure a fair system where no producer, in the Union or outside, placing the goods covered by CBAM on the internal market would be allowed to compete by unfairly and irresponsibly lowering climate ambition.***

Or. en

Amendment 6

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) **While** the objective of the CBAM is to **prevent** the risk of carbon leakage, ~~this~~ Regulation would also encourage the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated.

Amendment

(12) The objective of the CBAM is to **lower global carbon emissions by preventing** the risk of carbon leakage. This Regulation **does this** by encouraging the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated.

Or. en

Amendment 7

Proposal for a regulation Recital 13

Text proposed by the Commission

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the CBAM should ensure that imported products are subject to a regulatory system that applies carbon costs equivalent to the ones that otherwise would have been borne under the EU ETS. The CBAM is a climate measure which should prevent the risk of carbon leakage and support the Union's increased ambition on climate mitigation, while ensuring WTO compatibility.

Amendment

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the CBAM should ensure that imported products are subject to a regulatory system that applies carbon costs equivalent to the ones that otherwise would have been borne under the EU ETS. The CBAM is a climate measure which should prevent the risk of carbon leakage and support the Union's increased ambition on climate mitigation, while ensuring WTO compatibility **and making sure that the CBAM is a tool which supports and encourages sustainable trade.**

Or. en

Amendment 8

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS in the event of future agreements, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of amending the list of countries in Annex II. Conversely, those third countries or territories should be excluded from the list in Annex II and be subject to CBAM whereby they do not effectively charge the ETS price on goods exported to the Union.

Amendment

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS in the event of future agreements, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of amending the list of countries in Annex II. Conversely, those third countries or territories should be excluded from the list in Annex II and be subject to CBAM whereby they do not effectively charge the ETS price on goods exported to the Union. ***The Commission should be responsible for continuously monitoring this.***

Or. en

Amendment 9

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) The GHG emissions to be regulated by the CBAM should correspond to those GHG emissions covered by Annex I to the EU ETS in Directive 2003/87/EC, namely carbon dioxide ('CO₂') as well as, where relevant, nitrous oxide ('N₂O') and perfluorocarbons ('PFCs'). The CBAM should initially apply to direct emissions of those GHG from the production of goods up to the time of import into the customs territory of the Union, and ***after the end of a transition period and upon further assessment, as well*** to indirect emissions, mirroring the scope of the EU ETS.

Amendment

(17) The GHG emissions to be regulated by the CBAM should correspond to those GHG emissions covered by Annex I to the EU ETS in Directive 2003/87/EC, namely carbon dioxide ('CO₂') as well as, where relevant, nitrous oxide ('N₂O') and perfluorocarbons ('PFCs'). The CBAM should ***ideally cover all emissions from production covered by the EU ETS, both direct and indirect emissions, as this would lead to as equal carbon costs as possible for domestic production and imports. However, given the complexity of the calculations needed for correct estimations of indirect emissions, the CBAM should initially apply only*** to direct

emissions of those GHG from the production of goods up to the time of import into the customs territory of the Union, and ***only after the Commission has presented relevant calculation methodologies, also*** to indirect emissions, mirroring the scope of the EU ETS.

Or. en

Amendment 10

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) The EU ETS and the CBAM have a common objective of pricing GHG emissions embedded in the same sectors and goods through the use of specific allowances or certificates. Both systems have a regulatory nature and are justified by the need to curb GHG emissions, in line with the environmental objective set out in Union.

Amendment

(18) The EU ETS and the CBAM have a common objective of pricing GHG emissions embedded in the same sectors and goods through the use of specific allowances or certificates. Both systems have a regulatory nature and are justified by the need to curb GHG emissions, in line with the environmental objective set out in Union ***and in the Paris Agreement.***

Or. en

Amendment 11

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) However, while the EU ETS sets an absolute cap on the GHG emissions from the activities under its scope and allows tradability of allowances (so called ‘cap and trade system’), the CBAM ***should*** not establish quantitative limits to import, so as to ensure that trade flows are not restricted. Moreover, while the EU ETS applies to installations based in the Union, the CBAM should be applied to certain goods

Amendment

(19) However, while the EU ETS sets an absolute cap on the GHG emissions from the activities under its scope and allows tradability of allowances (so called ‘cap and trade system’), the CBAM ***must*** not establish quantitative limits to import, so as to ensure that trade flows are not restricted. Moreover, while the EU ETS applies to installations based in the Union, the CBAM should be applied to certain goods

imported into the customs territory of the Union.

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Or. en

Amendment 12

Proposal for a regulation Recital 20

Text proposed by the Commission

(20) The CBAM system has some specific features compared with the EU ETS, including on the calculation of the price of CBAM certificates, on the possibilities to trade certificates and on their validity over time. These are due to the need to preserve the effectiveness of the CBAM as a measure preventing carbon leakage over time and to ensure that the management of the system is not excessively burdensome in terms of obligations imposed on the operators and of resources for the administration, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS.

Amendment

(20) The CBAM system has some specific features compared with the EU ETS, including on the calculation of the price of CBAM certificates, on the possibilities to trade certificates and on their validity over time. These are ***justifiable*** due to the need to preserve the effectiveness of the CBAM as a measure preventing carbon leakage over time and to ensure that the management of the system is not excessively burdensome in terms of obligations imposed on the operators and of resources for the administration, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS. ***No difference in functioning between the EU ETS and the CBAM should exist that benefits domestic production over imports. Any differences between the two systems must be justifiable by the need to ensure the effectiveness and usability of the systems.***

Or. en

Amendment 13

Proposal for a regulation Recital 22

Text proposed by the Commission

(22) Under the EU ETS, the total number of allowances issued (the ‘cap’)

Amendment

(22) Under the EU ETS, the total number of allowances issued (the ‘cap’)

determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The carbon price is determined by the balance of this supply against the demand of the market. Scarcity is necessary for there to be a price incentive. As it is not possible to impose a cap on the number of CBAM certificates available to importers, if importers had the possibility to carry forward and trade CBAM certificates, this could result in situations where the price for CBAM certificates would no longer reflect the evolution of the price in the EU ETS. That would weaken the incentive for decarbonisation between domestic and imported goods, favouring carbon leakage and impairing the overarching climate objective of the CBAM. It could also result in different prices for operators of different countries. Therefore, the limits to the possibilities to trade CBAM certificates and to carry them forward is justified by the need to avoid undermining the effectiveness and climate objective of the CBAM and to ensure even handed treatment to operators from different countries. However, in order to preserve the possibility for importers to optimise their costs this Regulation should foresee a system where authorities can re-purchase a certain amount of excess certificates from the importers. Such amount is set at a level which allows a reasonable margin for importers to leverage their costs over the period of validity of the certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.

determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The carbon price is determined by the balance of this supply against the demand of the market. Scarcity is necessary for there to be a price incentive. As it is not possible, ***nor desirable***, to impose a cap on the number of CBAM certificates available to importers, if importers had the possibility to carry forward and trade CBAM certificates, this could result in situations where the price for CBAM certificates would no longer reflect the evolution of the price in the EU ETS. That would weaken the incentive for decarbonisation between domestic and imported goods, favouring carbon leakage and impairing the overarching climate objective of the CBAM. It could also result in different prices for operators of different countries. Therefore, the limits to the possibilities to trade CBAM certificates and to carry them forward is justified by the need to avoid undermining the effectiveness and climate objective of the CBAM and to ensure even handed treatment to operators from different countries. However, in order to preserve the possibility for importers to optimise their costs, ***as is possible for producers under the EU ETS***, this Regulation should foresee a system where authorities can re-purchase a certain amount of excess certificates from the importers. Such amount is set at a level which allows a reasonable margin for importers to leverage their costs over the period of validity of the certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.

Or. en

Amendment 14

Proposal for a regulation

Recital 23

Text proposed by the Commission

(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations certain adaptations and simplifications would also need to apply in the CBAM regime. One of those simplifications should consist in a declarative system where importers should report the total verified GHG emissions embedded in goods imported in a given calendar year. A different timing compared to the compliance cycle of the EU ETS should also be applied to avoid any potential bottleneck resulting from obligations for accredited verifiers under this Regulation and the EU ETS.

Amendment

(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, ***as is the case in the EU ETS***, certain adaptations and simplifications would also need to apply in the CBAM regime. One of those simplifications should consist in a declarative system where importers should report the total verified GHG emissions embedded in goods imported in a given calendar year. A different timing compared to the compliance cycle of the EU ETS should also be applied to avoid any potential bottleneck resulting from obligations for accredited verifiers under this Regulation and the EU ETS.

Or. en

Amendment 15

Proposal for a regulation

Recital 32

Text proposed by the Commission

(32) In particular, organic chemicals are not included in the scope of this Regulation due to technical limitations that do not allow to clearly define the embedded emissions of imported goods. For these goods the applicable benchmark under the EU ETS is a basic parameter, which does not allow for an unambiguous allocation of emissions embedded in individual imported goods. A more targeted allocation to organic chemicals will require more data and analysis.

Amendment

(32) In particular, organic chemicals are not included in the scope of this Regulation due to technical limitations that ***currently*** do not allow to clearly define the embedded emissions of imported goods. For these goods the applicable benchmark under the EU ETS is a basic parameter, which does not allow for an unambiguous allocation of emissions embedded in individual imported goods. A more targeted allocation to organic chemicals will require more data and analysis ***before these goods can be considered to be included in the CBAM.***

Amendment 16

Proposal for a regulation

Recital 38

Text proposed by the Commission

(38) As importers of goods covered by this Regulation should not have to fulfil their CBAM obligations under this Regulation at the time of importation specific administrative measures should be applied to ensure that the obligations are fulfilled at a later stage. Therefore, importers should only be entitled to import CBAM goods after they have been granted an authorisation by competent authorities responsible for the application of this Regulation.

Amendment

(38) As importers of goods covered by this Regulation should not have to fulfil their CBAM obligations under this Regulation at the time of importation, ***to ensure efficient continuation of trade with goods covered by the CBAM***, specific administrative measures should be applied to ensure that the obligations are fulfilled at a later stage. Therefore, importers should only be entitled to import CBAM goods after they have been granted an authorisation by competent authorities responsible for the application of this Regulation.

Or. en

Amendment 17

Proposal for a regulation

Recital 49

Text proposed by the Commission

(49) Once third countries will be closely integrated into the Union electricity market via market coupling, technical solutions should be found to ensure the application of the CBAM to electricity exported from such countries into the customs territory of the Union. If technical solutions cannot be found, third countries that are market coupled should benefit from a time limited exemption from the CBAM until at the latest 2030 with regard solely to the export of electricity, provided that certain conditions are satisfied. However, those

Amendment

(49) Once third countries will be closely integrated into the Union electricity market via market coupling, technical solutions should be found to ensure the application of the CBAM to electricity exported from such countries into the customs territory of the Union. If technical solutions cannot be found, third countries that are market coupled should benefit from a time limited exemption from the CBAM until at the latest 2030 with regard solely to the export of electricity, provided that certain conditions are satisfied. However, those

third countries should develop a roadmap and commit to implement a carbon pricing mechanism providing for an equivalent price as the EU ETS, and should commit to achieving carbon neutrality by 2050 /as well as?/ to align with Union legislation in the areas of environment, climate, competition and energy. That exemption should be withdrawn **at any time** if there are reasons to believe that the country in question does not fulfil its commitments or it has not adopted by 2030 an ETS equivalent to the EU ETS.

third countries should develop a roadmap and commit to implement a carbon pricing mechanism providing for an equivalent price as the EU ETS, and should commit to achieving carbon neutrality by 2050 as well as to align with Union legislation in the areas of environment, climate, competition and energy. That exemption should be withdrawn **three months after a written warning has been sent to the concerned country or territory by the Commission**, if there are reasons to believe that the country in question does not fulfil its commitments or it has not adopted by 2030 an ETS equivalent to the EU ETS.

Or. en

Amendment 18

Proposal for a regulation Recital 51

Text proposed by the Commission

(51) To facilitate and ensure a proper functioning of the CBAM, the Commission should provide support to the competent authorities responsible for the application of this Regulation in carrying out their obligations.

Amendment

(51) To facilitate and ensure a proper functioning of the CBAM, the Commission should provide support to the competent authorities responsible for the application of this Regulation in carrying out their obligations. ***The Commission should further set up and be in charge of providing a web based information portal where authorised declarants can find all relevant information regarding the CBAM and information on how global CO2-pricing, the CBAM and possible bilateral agreements would affect the price of imported goods covered by the CBAM. This is to assist economic actors in their decision-making. The information portal should also serve as a single point of contact for authorised declarants.***

Or. en

Amendment 19

Proposal for a regulation Recital 52

Text proposed by the Commission

(52) The Commission should evaluate the application of this Regulation before the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, *as initiate collection of information necessary to possibly* extend the scope to indirect emissions, as well to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods

Amendment

(52) The Commission should evaluate the application of this Regulation before the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, *develop the calculation methodologies needed to* extend the scope to indirect emissions, as well *as initiate collection of information necessary to possibly extend the scope* to other goods and services at risk of carbon leakage, *such as downstream products using goods covered by the CBAM*, and to develop methods of calculating embedded emissions based on the environmental footprint methods.

Or. en

Amendment 20

Proposal for a regulation Recital 53

Text proposed by the Commission

(53) In light of the above, a dialogue with third countries should continue and there should be space for cooperation and solutions that could inform the specific choices that will be made on the details of the design of the measure during the implementation, in particular during the transitional period.

Amendment

(53) In light of the above, *and to advance multilateral cooperation on sustainable trade*, a dialogue with third countries should continue and there should be space for cooperation and solutions that could inform the specific choices that will be made on the details of the design of the measure during the implementation, in particular during the transitional period.

Or. en

Amendment 21

Proposal for a regulation

Recital 54

Text proposed by the Commission

(54) The Commission should strive to engage in an even handed manner and in line with the international obligations of the EU, with the third countries whose trade to the EU is affected by this Regulation, to explore possibilities for dialogue and cooperation with regard to the implementation of specific elements of the Mechanism set out this Regulation and related implementing acts. It should also explore possibilities for concluding agreements to take into account their carbon pricing mechanism.

Amendment

(54) The Commission should strive to engage in an even handed manner and in line with the international obligations of the EU, with the third countries whose trade to the EU is affected by this Regulation, to explore possibilities for dialogue and cooperation with regard to the implementation of specific elements of the Mechanism set out this Regulation and related implementing acts. It should also explore possibilities for concluding agreements to take into account their carbon pricing mechanism ***and possibly other carbon reduction policies other than carbon pricing. Such agreements must not lead to undue preferential treatment of imported goods from these countries.***

Or. en

Amendment 22

Proposal for a regulation

Recital 55

Text proposed by the Commission

(55) As the CBAM aims to ***encourage*** cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation.

Amendment

(55) As the CBAM aims to ***lower global carbon emissions by halting and preventing carbon leakage through encouraging*** cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation.

Amendment 23

Proposal for a regulation Recital 55 a (new)

Text proposed by the Commission

Amendment

(55a) To further ensure that the aim of the CBAM is solely to reduce global carbon emission, the revenues from the CBAM must be used to align them with the aim of the mechanism. Therefore revenues collected from the CBAM, or the yearly equivalent in financial value, shall be directed to Union action aimed at reducing carbon emissions and mitigate the effects of climate change in least developed countries (LDCs) as well as cover the cost of administering the CBAM.

Or. en

Amendment 24

Proposal for a regulation Recital 58

Text proposed by the Commission

Amendment

(58) In order to remedy circumvention of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of supplementing the list of goods in Annex I.

(58) The Commission should monitor any changes in trade flows attributable to the CBAM, both to assess the efficiency of the measure and to identify practices of circumvention. In order to remedy circumvention of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission ***to adapt this Regulation when it is deemed necessary and possible, with regard to international commitments of the Union, such as those under the WTO.***

Amendment 25

Proposal for a regulation Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into the customs territory of the Union, in order to **prevent** carbon leakage.

Amendment

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into the customs territory of the Union, in order to **reduce global carbon emissions by preventing** carbon leakage.

Or. en

Amendment 26

Proposal for a regulation Article 2 – paragraph 10

Text proposed by the Commission

10. The Commission is empowered to adopt delegated acts in accordance with Article 28 to set out requirements and procedures for countries or territories that are deleted from the list in Annex II, Section B, to ensure the application of this Regulation to their territories with regard to electricity. **If in such** cases market coupling remains incompatible with the application of this Regulation, the Commission may **decide to exclude** the third countries or territories from Union market coupling and require explicit capacity allocation at the border between the Union and the third country, so that the CBAM can apply.

Amendment

10. The Commission is empowered to adopt delegated acts in accordance with Article 28 to set out requirements and procedures for countries or territories that are deleted from the list in Annex II, Section B, to ensure the application of this Regulation to their territories with regard to electricity. In cases **where** market coupling remains incompatible with the application of this Regulation, the Commission may **adopt a delegated act, in accordance with Article 28, excluding** the third countries or territories from Union market coupling and require explicit capacity allocation at the border between the Union and the third country, so that the CBAM can apply.

Or. en

Amendment 27

Proposal for a regulation

Article 2 – paragraph 10 a (new)

Text proposed by the Commission

Amendment

10a. The Commission shall continuously monitor whether the conditions in paragraphs 5, 7 and 8 are fulfilled for all countries and territories listed in Annex II, Sections A and B.

Or. en

Amendment 28

Proposal for a regulation

Article 2 – paragraph 11 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

The Commission shall adopt the delegated act referred to in the first subparagraph only three months after providing the country or territory with a written warning laying out the reasons for removal and where those reasons still persist after that three-month period.

Or. en

Amendment 29

Proposal for a regulation

Article 2 – paragraph 12

Text proposed by the Commission

Amendment

12. The Union, may conclude agreements with third countries with a view to take account of carbon pricing mechanisms, in these countries in the application of Article 9.

12. The Union, may conclude agreements with third countries with a view to take account of carbon pricing mechanisms **and carbon reduction measures of equivalent efficiency other than carbon pricing mechanisms**, in these

countries in the application of Article 9.
Such agreements shall not lead to undue preferential treatment of imports from the third countries as regards the CBAM certificates to be surrendered and cannot take into account any carbon pricing mechanisms that are considered to be practices of circumvention within the meaning of Article 27(2).

The European Parliament shall be immediately and fully informed at all stages of the procedure leading to the conclusion of those agreements in order to exercise a thorough scrutiny before giving its consent as well as following the ratification and entry into force.

Or. en

Amendment 30

Proposal for a regulation Article 5 – paragraph 1

Text proposed by the Commission

1. Any declarant shall, prior to importing goods as referred to in Article 2, apply to the competent authority *in the place* where it is established, for an authorisation to import those goods into the customs territory of the Union.

Amendment

1. Any declarant shall, prior to importing goods as referred to in Article 2, apply to the competent authority where it is established, for an authorisation to import those goods into the customs territory of the Union.

Or. en

Amendment 31

Proposal for a regulation Article 5 – paragraph 6

Text proposed by the Commission

6. The Commission is empowered to adopt implementing acts, concerning the standard format of the application and the delays and procedure to be followed by the

Amendment

6. The Commission is empowered to adopt implementing acts, concerning the standard format of the application and the delays and procedure to be followed by the

competent authority when processing applications for authorisation in accordance with paragraph 1 and the rules for identification by the competent authority of the declarants for the importation of electricity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

competent authority when processing applications for authorisation in accordance with paragraph 1 and the rules for identification by the competent authority of the declarants for the importation of electricity. ***The first such implementing act shall be adopted by 1 September 2023.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Amendment 32

Proposal for a regulation Article 6 – paragraph 6

Text proposed by the Commission

6. The Commission is empowered to adopt implementing acts concerning the standard format and the procedure for submitting the CBAM declaration and the arrangements for surrendering CBAM certificates provided for in paragraph 2, point (c). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment

6. The Commission is empowered to adopt implementing acts concerning the standard format and the procedure for submitting the CBAM declaration and the arrangements for surrendering CBAM certificates provided for in paragraph 2, point (c). ***The first such implementing shall be adopted by 1 January 2024.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Amendment 33

Proposal for a regulation Article 7 – paragraph 6

Text proposed by the Commission

6. The Commission is empowered to adopt ***implementing*** acts concerning detailed rules regarding the elements of the calculation methods set out in Annex III,

Amendment

6. The Commission is empowered to adopt ***delegated*** acts, ***in accordance with Article 28***, concerning detailed rules regarding the elements of the calculation

including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and default values and their respective application to individual goods as well as laying down methods to ensure the reliability of data on the basis of which the default values shall be determined, including the level of detail and the verification of the data. Where necessary, those acts shall provide that the default values can be adapted to particular areas, regions or countries to take into account specific objective factors such as geography, natural resources, market conditions, prevailing energy sources, or industrial processes. The implementing acts shall build upon existing legislation for the verification of emissions and activity data for installations covered by Directive 2003/87/EC, in particular Implementing Regulation (EU) No 2018/2067.

methods set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and default values and their respective application to individual goods as well as laying down methods to ensure the reliability of data on the basis of which the default values shall be determined, including the level of detail and the verification of the data. Where necessary, those acts shall provide that the default values can be adapted to particular areas, regions or countries to take into account specific objective factors such as geography, natural resources, market conditions, prevailing energy sources, or industrial processes. The implementing acts shall build upon existing legislation for the verification of emissions and activity data for installations covered by Directive 2003/87/EC, in particular Implementing Regulation (EU) No 2018/2067. ***The first such delegated act shall be adopted by 1 January 2024.***

Or. en

Amendment 34

Proposal for a regulation Article 7 – paragraph 7

Text proposed by the Commission

7. The implementing acts referred to in paragraph 6 shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment

deleted

Or. en

Amendment 35

Proposal for a regulation

Article 8 – paragraph 3 – subparagraph 1

Text proposed by the Commission

3. The Commission is empowered to adopt implementing acts concerning the principles of verification referred to in paragraph 1 as regards the possibility to waive the obligation for the verifier to visit the installation where relevant goods are produced and the obligation to set thresholds for deciding whether misstatements or non-conformities are material and concerning the supporting documentation needed for the verification report.

Amendment

3. The Commission is empowered to adopt implementing acts concerning the principles of verification referred to in paragraph 1 as regards the possibility to waive the obligation for the verifier to visit the installation where relevant goods are produced and the obligation to set thresholds for deciding whether misstatements or non-conformities are material and concerning the supporting documentation needed for the verification report. ***The first such implementing act shall be adopted by 1 January 2024.***

Or. en

Amendment 36

Proposal for a regulation

Article 9 – paragraph 1

Text proposed by the Commission

1. An authorised declarant may claim in its CBAM declaration a reduction in the number of CBAM certificates to be surrendered in order for the carbon price paid in the country of *origin for the declared embedded emissions* to be taken into account.

Amendment

1. An authorised declarant may claim in its CBAM declaration a reduction in the number of CBAM certificates to be surrendered in order for the carbon price paid in the country of origin *for the declared embedded emissions* to be taken into account, ***unless that paid price falls into the practices of circumvention within the meaning of Article 27(2).***

Or. en

Amendment 37

Proposal for a regulation

Article 9 – paragraph 2

Text proposed by the Commission

2. The authorised declarant shall keep records of the documentation, certified by an independent person, required to demonstrate that the declared embedded emissions were subject to a carbon price in the country of origin of the goods and keep evidence of the proof of the actual payment for that carbon price which should not have been subject to an export rebate or any other form of compensation *on exportation*.

Amendment

2. The authorised declarant shall keep records of the documentation, certified by an independent person, required to demonstrate that the declared embedded emissions were subject to a carbon price in the country of origin of the goods and keep evidence of the proof of the actual payment for that carbon price which should not have been subject to an export rebate or any other form of compensation.

Or. en

Amendment 38

Proposal for a regulation

Article 9 – paragraph 4

Text proposed by the Commission

4. The Commission is empowered to adopt **implementing** acts establishing the methodology for calculating the reduction in the number of CBAM certificates to be surrendered, regarding the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate in accordance with paragraph 1, and regarding the qualifications of the independent person certifying the information as well as elements of proof of the carbon price paid and the absence of export rebates or other forms of compensation on exportation being applied as referred to in paragraph 2. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).**

Amendment

4. The Commission is empowered to adopt **delegated** acts, **in accordance with Article 28**, establishing the methodology for calculating the reduction in the number of CBAM certificates to be surrendered, regarding the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate in accordance with paragraph 1, and regarding the qualifications of the independent person certifying the information as well as elements of proof of the carbon price paid and the absence of export rebates or other forms of compensation on exportation being applied as referred to in paragraph 2. **The first such delegated act shall be adopted by 1 January 2024.**

Whenever a delegated act is adopted according to the first subparagraph, there

shall be a period of at least six months before it enters into force.

Or. en

Amendment 39

Proposal for a regulation

Article 10 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. The operator shall without delay inform the Commission of any changes in the information referred to in paragraph 5 arising after the registration and the Commission shall update the relevant information.

Or. en

Amendment 40

Proposal for a regulation

Article 10 – paragraph 8

Text proposed by the Commission

Amendment

8. The operator may, at any time, ask to be deregistered from the.

8. The operator may, at any time, ask to be deregistered from the **database and shall be removed from the database four years after the year in which an authorised declarant used the information in the database on that operator to fulfil the obligation referred to in Article 8.**

Or. en

Amendment 41

Proposal for a regulation

Article 15 – paragraph 2

Text proposed by the Commission

2. The central administrator shall carry out risk-based controls on transactions recorded in national registries through an independent transaction log to ensure that there are no irregularities in the purchase, holding, surrender, re-purchase and cancellation of CBAM certificates.

Amendment

2. The central administrator shall carry out risk-based controls on transactions recorded in national registries through an independent transaction log to ensure that there are no irregularities in the **calculation**, purchase, holding, surrender, re-purchase and cancellation of CBAM certificates.

Or. en

Amendment 42

Proposal for a regulation

Article 18 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt delegated acts in accordance with Article 28 for the accreditation referred to in paragraph 2, specifying conditions for the control and oversight of accredited verifiers, for the withdrawal of accreditation and for mutual recognition and peer evaluation of the accreditation bodies.

Amendment

3. The Commission is empowered to adopt delegated acts in accordance with Article 28 for the accreditation referred to in paragraph 2, specifying conditions for the control and oversight of accredited verifiers, for the withdrawal of accreditation and for mutual recognition and peer evaluation of the accreditation bodies. ***The first such delegated act shall be adopted by 1 September 2022.***

Or. en

Amendment 43

Proposal for a regulation

Article 19 – paragraph 1

Text proposed by the Commission

1. The competent authority may

Amendment

1. The competent authority may

review the CBAM declaration within the period ending with the fourth year after the year in which the declaration should have been submitted. The review may consist in verifying the information provided in the CBAM declaration on the basis of the information communicated by the customs authorities in accordance with Article 25(2) and any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised declarant.

review the CBAM declaration within the period ending with the fourth year after the year in which the declaration should have been submitted. ***The competent authority shall conduct reviews wherever there are indications of inaccuracies, as well as randomised reviews of CBAM declarations, to the extent necessary in order to deliver statistically significant reports to the Commission on incorrect CBAM declarations.*** The review may consist in verifying the information provided in the CBAM declaration on the basis of the information communicated by the customs authorities in accordance with Article 25(2) and any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised declarant.

Or. en

Amendment 44

Proposal for a regulation Article 19 – paragraph 2

Text proposed by the Commission

2. Where a CBAM declaration in accordance with Article 6 has not been submitted, the competent authority of the Member State of establishment of the authorised declarant shall assess the CBAM obligations of that declarant on the basis of the information at its disposal and calculate the total number of CBAM certificates due at the latest by the 31 December of the fourth year following that when the CBAM declaration should have been submitted.

Amendment

2. Where a CBAM declaration in accordance with Article 6 has not been submitted, the competent authority of the Member State of establishment of the authorised declarant shall assess the CBAM obligations of that declarant on the basis of the information at its disposal and calculate the total number of CBAM certificates due at the latest by the 31 December of the fourth year following that when the CBAM declaration should have been submitted. ***The calculations shall use maximum values to assess the CBAM obligations to make sure there is no incentive for authorised declarants to avoid submitting the required CBAM declaration.***

Or. en

Amendment 45

Proposal for a regulation Article 19 a (new)

Text proposed by the Commission

Amendment

Article 19a (new)

Information portal for authorised declarants

- 1. The Commission shall by 1 January 2024 set up and maintain an up-to-date web portal aimed at assisting authorised declarants, in particular SMEs, to correctly declare the information required by this Regulation and to get a comprehensible and transparent overview of the effect CBAM will have on the price of imports. This portal shall be linked to, or be provided through, the Access2Markets portal.**
- 2. The portal referred to in paragraph 1 shall:**
 - (a) provide information on:**
 - (i) the CO₂ price charged in third countries as referenced in article 9;**
 - (ii) the average price of the Union ETS auctions the previous week;**
 - (iii) any agreement the Union has with a third country which affects the CBAM certificates to be surrendered for imports from that third country and how the CBAM certificates are affected.**
 - (b) from 1 April 2025 provide information on:**
 - (i) the average amount of CBAM certificates surrendered per ton of goods imported into the customs territory of the Union included in Annex I in the previous quarter presented by country;**
 - (ii) the average amount of CBAM certificates surrendered per ton of goods imported into the customs territory of the Union included in Annex I in the previous**

*quarter presented per installation
whenever that information is publically
available;*

*(c) provide all information needed for
companies to fulfil the requirements laid
down in this Regulation, in at least all
official languages of the Union and in the
language of the relevant competent
authority;*

*(d) provide answers to specific
questions from companies on how to
correctly fill out their declarations;*

*(e) put companies in contact with the
relevant competent authority when
needed;*

*3. The Commission shall regularly
assess the possibility to improve the
information on and assistance provided
through the web portal. The Commission
is empowered to adopt implementing acts
to further improve and extend the
information available on and the
functionality of the web portal. Those
implementing acts shall be adopted in
accordance with the examination
procedure referred to in Article 29(2).*

Or. en

Amendment 46

Proposal for a regulation Article 21 – paragraph 3

Text proposed by the Commission

3. The Commission is empowered to adopt implementing acts to further define the methodology to calculate the average price of CBAM certificates and practical arrangements for the publication of the price. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment

3. The Commission is empowered to adopt implementing acts to further define the methodology to calculate the average price of CBAM certificates and practical arrangements for the publication of the price. ***The first such implementing act shall be adopted by 1 January 2024.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment 47

Proposal for a regulation
Article 24 a (new)

Text proposed by the Commission

Amendment

Article 24a (new)

Usage of revenues from the sale of CBAM certificates

- 1. To meet the Union objectives and international commitments, such as those under WTO agreements and the Paris Agreement, revenues generated from the sale of CBAM certificates, or the equivalent in financial value of these revenues, shall be used to cover the cost of administration of the CBAM and to tackle climate change in least developed countries (LDCs), inter alia, to reduce greenhouse gas emissions in these countries, to adapt to the impacts of climate change in these countries, to fund research and development for mitigation and adaptation in these countries.***
- 2. To ensure transparency of the use of revenues generated from the sale of CBAM certificates the Commission shall, on a yearly basis, report to the European Parliament and the Council on how the revenues from the sale of CBAM certificates, or the equivalent in financial value of these revenues, from the previous year has been used and how this has contributed to tackling climate change in LDCs.***

Or. en

Amendment 48

Proposal for a regulation

Article 25 – paragraph 3

Text proposed by the Commission

3. The custom authorities shall carry out controls on the goods in accordance with Article 46 of Regulation (EU) No 952/2013, including the 8-digit CN code, the quantity and the country of origin of the imported goods. The Commission shall include the risks relating to CBAM in the design of the common risk criteria and standards pursuant to Article 50 of Regulation (EU) No 952/2013.

Amendment

3. The custom authorities shall carry out controls on the goods in accordance with Article 46 of Regulation (EU) No 952/2013, including the 8-digit CN code, the quantity and the country of origin of the imported goods ***so that customs authorities can sufficiently assist the competent authority to review the CBAM declarations in accordance with Article 19.*** The Commission shall include the risks relating to CBAM in the design of the common risk criteria and standards pursuant to Article 50 of Regulation (EU) No 952/2013.

Or. en

Amendment 49

Proposal for a regulation

Article 26 – paragraph 5

Text proposed by the Commission

5. The Commission is empowered to adopt implementing acts defining the information, the timing and the means for communicating the information pursuant to paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment

5. The Commission is empowered to adopt implementing acts defining the information, the timing and the means for communicating the information pursuant to paragraph 2. ***The first such implementing shall be adopted by 1 January 2024.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Amendment 50

Proposal for a regulation

Article 27 – paragraph 2

Text proposed by the Commission

2. Practices of circumvention include situations where a change in the pattern of trade in relation to goods included in the scope of this Regulation has insufficient due cause or economic justification other than avoiding obligations as laid down in this Regulation and consists ***in*** replacing those goods with slightly modified products, which are not included in the list of goods in Annex I but belong to a sector included in the scope of this Regulation.

Amendment

2. Practices of circumvention include situations where a change in the pattern of trade in relation to goods included in the scope of this Regulation has insufficient due cause or economic justification other than avoiding obligations as laid down in this Regulation and consists ***of, but are not limited to:***

(a) subsidies or indirect subsidies, such as favourable tax arrangements or energy pricing, for the production of goods which will eventually be covered by the CBAM to cover parts of or the entirety of a CO2 price paid in the third country;

(b) a CO2 price paid in a third country placed only on goods to be imported into the customs territory of the Union;

(c) replacing those goods with slightly modified products, which are not included in the list of goods in Annex I but belong to a sector included in the scope of this Regulation.

Or. en

Amendment 51

Proposal for a regulation

Article 27 – paragraph 3–

Text proposed by the Commission

3. A Member State or any party affected or benefitted by the situations described in paragraph 2 may notify the Commission if it is confronted, ***over a two-month period compared with the same***

Amendment

3. A Member State or any party affected or benefitted by the situations described in paragraph 2 may notify the Commission if it is confronted, with ***circumvention practices such as those***

period in the preceding year with a significant decrease in the volume of imported goods included in the scope of this Regulation and an increase of volume of imports of slightly modified products, which are not included in the list of goods in Annex I. The Commission shall continually monitor any significant change of pattern of trade of goods and slightly modified products at Union level.

exemplified in paragraph 2.

The Commission shall continually monitor any significant change of pattern of trade of goods and slightly modified products at Union level, *as well as other possible circumvention practices.*

Or. en

Amendment 52

Proposal for a regulation

Article 27 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. *Interested parties other than directly affected parties, such as environmental organisations and non-governmental organisations, which find concrete evidence of circumvention of this Regulation, may also notify the Commission of their findings.*

Or. en

Amendment 53

Proposal for a regulation

Article 27 – paragraph 4

Text proposed by the Commission

Amendment

4. The notifications referred to in paragraph 3 shall state the reasons on which *it is* based and shall include relevant data and statistics *regarding the goods and*

4. The notifications referred to in paragraphs 3 *and 3a* shall state the reasons on which *they are* based and shall include relevant data and statistics *supporting the*

products referred to in paragraph 2.

claim of circumvention. The Commission shall always investigate possible circumvention when notified by a Member State, an affected party or an interested party.

Or. en

Amendment 54

Proposal for a regulation Article 27 – paragraph 5

Text proposed by the Commission

5. Where the Commission, taking into account the relevant data, reports and statistics, including when provided by the customs authorities of Member States, has sufficient reasons to believe that the circumstances referred to in paragraph 3 are occurring in one or more Member States, it is empowered to adopt delegated acts in accordance with Article 28 to supplement the scope of this Regulation, in order to ***include*** slightly modified products for anti-circumvention purposes.

Amendment

5. Where the Commission, taking into account the relevant data, reports and statistics, including when provided by the customs authorities of Member States, has sufficient reasons to believe that the circumstances referred to in paragraph 3 are occurring in one or more Member States, it is empowered to adopt delegated acts in accordance with Article 28 to supplement the scope of this Regulation, ***and shall do so whenever possible, with regard to international commitments of the Union, such as those under the WTO, in order to prevent the circumvention, for example by including*** slightly modified products ***in this Regulation*** for anti-circumvention purposes.

Or. en

Amendment 55

Proposal for a regulation Article 27 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. The Commission shall regularly report to the European Parliament and the Council on the practices of circumvention relating to the CBAM.

Amendment 56**Proposal for a regulation
Article 30 – paragraph 1***Text proposed by the Commission*

1. The Commission shall collect the information necessary with a view to ***extending*** the scope of this Regulation to indirect emissions and goods other than those listed in Annex I, and develop methods of calculating embedded emissions based on environmental footprint methods.

Amendment

1. The Commission shall collect the information necessary with a view to ***extend*** the scope of this Regulation to indirect emissions and ***possibly to*** goods other than those listed in Annex I, ***such as downstream products using goods covered by this Regulation***, and develop methods of calculating embedded emissions based on environmental footprint methods.

Or. en

Amendment 57**Proposal for a regulation
Article 30 – paragraph 1 a (new)***Text proposed by the Commission**Amendment*

1a. By 31 December 2023 the Commission shall present a report to the European Parliament and the Council containing a calculation method to enable the extension of the scope of embedded emissions to indirect emissions and an impact assessment of that extension. If deemed appropriate the report shall be accompanied by a legislative proposal with the aim to extend the scope to indirect emissions.

Or. en

Amendment 58

Proposal for a regulation

Article 30 – paragraph 2

Text proposed by the Commission

2. Before the end of the transitional period the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The **reports** shall contain, in particular, the assessment of the possibilities to further ***extending the scope of embedded emissions to indirect emissions and*** to other goods at risk of carbon leakage than those already covered by this Regulation, as well as an assessment of the governance system. ***It*** shall also contain the assessment of the possibility to further extend the scope to embedded emissions of transportation services as well as to goods further down the value chain and services that may be subject to the risk of carbon leakage in the future.

Amendment

2. Before the end of the transitional period the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The **report** shall contain, in particular, the assessment of the possibilities to further ***extend the scope*** to other goods at risk of carbon leakage than those already covered by this Regulation, ***such as downstream products using goods covered by this Regulation***, as well as an assessment of the governance system. ***The report*** shall also contain the assessment of the possibility to further extend the scope to embedded emissions of transportation services as well as to goods further down the value chain and services that may be subject to the risk of carbon leakage in the future. ***Where deemed appropriate the report shall be accompanied by a legislative proposal with the aim to further extend the scope of this Regulation.***

Or. en

Amendment 59

Proposal for a regulation

Article 31 – paragraph 2

Text proposed by the Commission

2. The Commission is empowered to adopt ***implementing*** acts laying down a calculation methodology for the reduction referred to in paragraph 1. ***Those implementing acts*** shall be adopted ***in accordance with the examination procedure referred to in Article 29(2).***

Amendment

2. The Commission is empowered to adopt ***delegated*** acts ***in accordance with Article 28*** laying down a calculation methodology for the reduction referred to in paragraph 1. ***The first such delegated*** shall be adopted ***by 1 January 2024.***

Amendment 60

Proposal for a regulation Article 35 – paragraph 1

Text proposed by the Commission

1. Each declarant shall, for each quarter of a calendar year, submit a report ('CBAM report') containing information on the goods imported during that quarter, to the competent authority of the Member State of importation or, if goods have been imported to more than one Member State, to the competent authority of the Member State **at** the declarant's choice, no later than one month after the end of each quarter.

Amendment

1. Each declarant shall, for each quarter of a calendar year, submit a report ('CBAM report') containing information on the goods imported during that quarter, to the competent authority of the Member State of importation or, if goods have been imported to more than one Member State, to the competent authority of the Member State **of** the declarant's choice, no later than one month after the end of each quarter.

Or. en

Amendment 61

Proposal for a regulation Article 35 – paragraph 2 – point d

Text proposed by the Commission

(d) the carbon price due in a country of origin for the embedded emissions in the imported goods, which is not subject to an export rebate or other form of compensation **on exportation**.

Amendment

(d) the carbon price due in a country of origin for the embedded emissions **and the indirect emissions embedded** in the imported goods, which is not subject to an export rebate or other form of compensation.

Or. en

Amendment 62

Proposal for a regulation

Article 35 – paragraph 3

Text proposed by the Commission

3. The competent authority shall communicate the information referred to in paragraph 2 to the Commission at the latest two months after the ***end of the quarter covered by a report.***

Amendment

3. The competent authority shall communicate the information referred to in paragraph 2 to the Commission at the latest two months after the ***date on which the report should have been submitted.***

Or. en

Amendment 63

Proposal for a regulation

Article 35 – paragraph 6

Text proposed by the Commission

6. The Commission is empowered to adopt ***implementing*** acts concerning the information to be reported, the procedures for communicating the information referred to in paragraph 3 and the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate. The Commission is also empowered to adopt ***implementing*** acts to further define the necessary elements of the calculation method set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and their respective application to individual goods as well as laying down methods to ensure the reliability of data, including the level of detail and the verification of this data. The Commission is further empowered to adopt ***implementing*** acts to develop a calculation method for indirect emissions embedded in imported goods.

Amendment

6. The Commission is empowered to adopt ***delegated*** acts concerning the information to be reported ***specified in paragraph 2***, the procedures for communicating the information referred to in paragraph 3 and the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate. The Commission is also empowered to adopt ***delegated*** acts to further define the necessary elements of the calculation method set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and their respective application to individual goods as well as laying down methods to ensure the reliability of data, including the level of detail and the verification of this data. The Commission is further empowered to adopt ***delegated*** acts to develop a calculation method for indirect emissions embedded in imported goods. ***A first act for each delegated power in this paragraph shall be adopted by 1 September 2022.***

The delegated acts referred to in the first subparagraph shall be adopted in accordance with the procedure referred to in Article 28.

Or. en

Amendment 64

Proposal for a regulation Article 35 – paragraph 7

Text proposed by the Commission

Amendment

7. The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).

deleted

Or. en

Amendment 65

Proposal for a regulation Article 36 – paragraph 3 – point a

Text proposed by the Commission

Amendment

(a) Articles 32 to 34 shall apply until 31 December 2025.

(a) Articles 32 to 34 shall apply until 31 December 2024.

Or. en

Amendment 66

Proposal for a regulation Article 36 – paragraph 3 – point b

Text proposed by the Commission

Amendment

(b) Article 35 shall apply until 28 February 2026.

(b) Article 35 shall apply until 28 February 2025.

Or. en

Amendment 67

Proposal for a regulation

Article 36 – paragraph 3 – point c

Text proposed by the Commission

(c) Articles 5 and 17 shall apply from 1 September **2025**.

Amendment

(c) Articles 5 and 17 shall apply from 1 September **2024**.

Or. en

Amendment 68

Proposal for a regulation

Article 36 – paragraph 3 – point d

Text proposed by the Commission

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply from 1 January **2026**.

Amendment

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, **19 a (new)**, 20, 21, 22, 23, 24, **24 a (new)**, 25, 26, 27 and 31 shall apply from 1 January **2025**.

Or. en