



2021/0214(COD)

8.2.2022

AMENDMENTS

65 - 363

Draft opinion
Izabela-Helena Kloc
(PE703.112v01-00)

on the proposal for a regulation of the European Parliament and of the Council
establishing a carbon border adjustment mechanism

Proposal for a regulation
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Amendment 65
Marek Pawel Balt

Proposal for a regulation
Citation 1

Text proposed by the Commission

Having regard to the Treaty on the Functioning of the European Union, and in particular Article **192(1)** thereof,

Amendment

Having regard to the Treaty on the Functioning of the European Union, and in particular Article **192(2)(a)** thereof,

Or. en

Justification

Article 192 (2)(a) TFEU instead of Article 191 (1) TFEU is a proper legal basis for the Regulation

Amendment 66
Manuel Bompard

Proposal for a regulation
Recital 1

Text proposed by the Commission

(1) The Commission has, in its communication on the European Green Deal³¹, 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, 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 Soil³² the promotion of

Amendment

(1) The Commission has, in its communication on the European Green Deal³¹, set out a new strategy *as a first step in the transformation of* the Union into a *environmentally sustainable, carbon-neutral, toxic-free and fully circular economy by 2050 at the latest.* The European Green Deal also aims to *strengthen global efforts to implement the One Health approach which recognizes the intrinsic link between human health, animal health and healthy and resilient ecosystems, and to contribute to the achievement of the objectives Paris Agreement and the Convention on Biological Diversity, as well as the United Nations Sustainable Development Goals.* 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

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.

³¹ Communication from the Commission of 11 December 2019 on the European Green Deal (COM(2019) 640 final).

³² Communication from the Commission of 12 May 2021 on Pathway to a Healthy Planet for All (COM(2021) 400).

Pollution for Air, Water and Soil³² 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.

³¹ Communication from the Commission of 11 December 2019 on the European Green Deal (COM(2019) 640 final).

³² Communication from the Commission of 12 May 2021 on Pathway to a Healthy Planet for All (COM(2021) 400).

Or. en

Amendment 67

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1 a) The European Green Deal with its ambitious objectives has brought to the increase of cost for European producers, thus it is necessary to have an instrument to ensure a level playing field with third countries, which do not have the same ambitious climate policies as the EU has.

Or. en

Amendment 68

Manuel Bompard

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The Paris Agreement³³, adopted in December 2015 under the United Nations Framework Convention on Climate Change ('UNFCCC') entered into force in November 2016. ***The Parties to the Paris Agreement, in its Article 2, have agreed to hold the increase in the global average temperature well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.***

³³ OJ L 282, 19.10.2016, p.4.

Amendment

(2) The Paris Agreement³³, adopted in December 2015 under the United Nations Framework Convention on Climate Change ('UNFCCC') entered into force in November 2016. ***In its 2021 Report on the Physical Science Basis, the Intergovernmental Panel on Climate Change (IPCC) has underlined that most of widespread and rapid changes to Earth's oceans, ice and land surface caused by global warming are irreversible on human timescales and that exceeding 2°C of global warming will cause heat extremes to reach critical tolerance thresholds for agriculture and human health. Stabilizing the climate will require strong, rapid, and sustained reductions in greenhouse gas emissions and reaching net zero CO2 emissions. By adopting the Glasgow Climate Pact, its Parties have recognized the urgency to act to limit the temperature increase to 1.5°C above pre-industrial levels.***

³³ OJ L 282, 19.10.2016, p.4.

Or. en

Amendment 69

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) The Paris Agreement³³, adopted in December 2015 under the United Nations Framework Convention on Climate Change ('UNFCCC') entered into force in November 2016. ***The Parties to the Paris Agreement, in its Article 2, have agreed to hold the increase in the global average***

Amendment

(2) The Paris Agreement, adopted in December 2015 under the United Nations Framework Convention on Climate Change (UNFCCC) entered into force in November 2016. ***By adopting the Glasgow Climate Pact its Parties recognised that limiting the increase in the global average***

temperature *well below* 2°C above pre-industrial levels *and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.*

³³ OJ L 282, 19.10.2016, p.4.

temperature *1,5 °C* above pre-industrial levels *would significantly reduce the risks and impacts of climate change, and committed to strengthen their 2030 targets by the end of 2022 to close the ambition gap.*

³³ OJ L 282, 19.10.2016, p.4.

Or. en

Amendment 70 **Manuel Bompard**

Proposal for a regulation **Recital 3**

Text proposed by the Commission

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement *are at the core of the European Green Deal. The value of* the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health and *economic* well-being of the Union's citizens.

Amendment

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement, *the Convention on Biological Diversity and creating a safe and equitable space for humankind in which a society that ensures sustainable human development are the objectives to which* the European Green Deal *must contribute. The urgent need to meet these objectives* has only grown in light of the very severe effects of the COVID-19 pandemic on the health and *general* well-being of the Union's citizens.

Or. en

Amendment 71 **Manuel Bompard**

Proposal for a regulation **Recital 6 a (new)**

Text proposed by the Commission

Amendment

(6 a) The new emissions gap report

published by the United Nations Environment Programme(UNEP) shows that the updated Nationally Determined Contributions (NDCs) could lead to a global temperature increase of around 2.7 °C by the end of the century. The various international commitments to climate neutrality, if fully implemented, would still lead to a global temperature increase of 2.2 °C. The Union and its main trading partners must step up efforts to contain global warming and limit the global temperature increase to 1.5 °C.

Or. en

Amendment 72
Manuel Bompard

Proposal for a regulation
Recital 6 b (new)

Text proposed by the Commission

Amendment

(6 b) Reducing methane emissions is critical in meeting the Paris Agreement's goal of limiting global temperature rise to 1.5°C by the end of the century. A 2021 report from the United Nations Environment Programme (UNEP) estimates that rapid action on methane emissions could take 0.3°C off global temperature by 2045. There is therefore an urgent for the Union to adopt measures to rapidly reduce methane emissions embedded in its importation, especially in the energy sector.

Or. en

Amendment 73
Manuel Bompard

Proposal for a regulation
Recital 6 c (new)

(6 c) The 2021 WHO health and climate change global survey report notes that more than three quarters of the countries surveyed have developed or are in the process of developing national health and climate change plans or strategies. Insufficient funding remains the main stumbling block for the full implementation of national health and climate change plans for 70 % of the countries surveyed. According to the United Nations Environment Programme (UNEP), the costs of adaption are likely to be at the higher end of an estimated \$140 billion to \$300 billion a year by the end of this decade, and \$280 billion to \$500 billion annually by 2050. Furthermore, the cost in developing countries is estimated to be between five to ten times greater than current public adaptation finance flows. Future government spending could also be hampered by the heightened cost of debt servicing, combined with decreased public revenues, particularly in developing countries. Developing countries therefore need debt cancellation, financial, technological and capacity-building support to increase their level of ambition, in terms both of reducing emissions and of enhancing adaptation to the effects of climate change.

Or. en

**Amendment 74
Manuel Bompard**

**Proposal for a regulation
Recital 7**

(7) The Union has been pursuing an ambitious policy on climate action and has

(7) The Union's climate action policy has so far been insufficient to limit the

put in place a regulatory framework to achieve its 2030 GHG emissions reduction target. *The legislation implementing that target* consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council³⁷, which establishes a system for GHG emission allowance trading within the Union ('EU ETS') and delivers harmonised pricing of GHG emissions at Union level for energy-intensive sectors and subsectors, Regulation (EU) 2018/842 of the European Parliament and of the Council³⁸, which introduces national targets for reduction of GHG emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council³⁹, which requires Member States to compensate GHG emissions from land use with removals of emissions from the atmosphere.

³⁷ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

³⁸ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³⁹ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

global temperature increase to below 1.5 °C. The current regulatory framework for achieving its 2030 GHG emissions reduction target, *which* consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council³⁷, which establishes a system for GHG emission allowance trading within the Union ('EU ETS') and delivers harmonised pricing of GHG emissions at Union level for energy-intensive sectors and subsectors, Regulation (EU) 2018/842 of the European Parliament and of the Council³⁸, which introduces national targets for reduction of GHG emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council³⁹, which requires Member States to compensate GHG emissions from land use with removals of emissions from the atmosphere, *must be fundamentally revised*.

³⁷ Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32).

³⁸ Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013 (OJ L 156, 19.6.2018, p. 26).

³⁹ Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU (OJ L 156, 19.6.2018, p. 1).

Amendment 75

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7 a) Tackling climate change and keeping global warming below 1.5°C requires global action. The Union must not only lead by example, by eliminating its own emissions, including those embedded in the products it imports, but also cooperate with its partners, in accordance with WTO rules, to create an open, multilateral and cooperative global system, acting as a key enabler of the green transition.

Or. en

Amendment 76

Manuel Bompard

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7 a) Combating 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, including embedded in the products it imports, but also cooperate with its partners to create an open, multilateral, cooperative global system acting as a key enabler of the green transition.

Or. en

Amendment 77
Jessica Stegrud

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Amendment

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels. ***Is however concerned that CBAM will promote the substitution of EU sales in third markets by non-EU output, thereby not only damaging EUs economy, but also fostering another form of "carbon leakage", since European producers emit substantially less carbon per unit of production than producers elsewhere do, which in particular applies to commodities;***

Or. en

Amendment 78
András Gyürk, Ernő Schaller-Baross

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners have policy approaches that do not **result in** the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. **That could** lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Amendment

(8) As long as a significant number of the Union's international partners have policy approaches that do not **achieve** the same level of climate ambition, there is a risk of carbon leakage, **which would undermine the Union's competitiveness**. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products **on the internal market, as well as export markets, or investment into such sectors and subsectors would predominantly flow to such countries and not the Union**. **That would** lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Or. en

Justification

We support this amendment tabled by the Rapporteur in her draft report.

Amendment 79

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners **have policy approaches that** do not **result in** the same level of climate ambition, there is a

Amendment

(8) As long as a significant number of the Union's international partners do not **achieve** the same level of climate ambition, there is a risk of carbon leakage, **which**

risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG *emissions intensive* products. *That could* lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

would undermine the Union's competitiveness on global markets. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG *emission-intensive* products *on the internal market, as well as export markets, or investment into such sectors and subsectors would predominantly flow to such countries and not the Union.* *That would* lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2°C above pre-industrial levels.

Or. en

Amendment 80

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average

Amendment

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. *An effective CBAM implementation should ensure the creation of a level playing field while encouraging trade partners to decarbonize.* Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total

temperature to well below 2 °C above pre-industrial levels.

emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Or. en

Amendment 81 **Manuel Bompard**

Proposal for a regulation **Recital 8**

Text proposed by the Commission

(8) *As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.*

Amendment

(8) The Union's *contribution to greenhouse gas emissions is not limited to emissions generated within its territory, but also includes emissions associated with its international trade. The latter consist of emissions from international transport, exported emissions and imported emissions. Emissions exported from the Union are accounted for in the Nationally Determined Contribution of the European Union and its Member States under the Paris Agreement. By contrast, emissions from international transport and imported emissions are not yet subject to a reduction strategy. Reductions of emissions in the Union as part of its contribution under the Paris Agreement must not lead to an increase in global emissions through the relocation of emissions associated with the Union's final demand.*

Or. en

Amendment 82 **Dominique Riquet, Klemen Grošelj**

Proposal for a regulation **Recital 8**

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Amendment

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. ***In addition to undermining the competitiveness of the European economy,*** that could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Or. fr

Amendment 83

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, there ***is*** a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally,

Amendment

(8) As long as a significant number of the Union's international partners have policy approaches that do not result in the same level of climate ambition, ***and as the Union increases its climate ambition,*** there ***could be*** a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could

thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Or. en

Amendment 84
Manuel Bompard

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8 a) Imported emissions and emissions from international transport must have a specific emissions reduction strategy, which must also include a legal framework to minimise the Union's contribution to deforestation and forest degradation worldwide. The Union's imported emissions must follow a trajectory consistent with the Paris Agreement of a 65 % reduction in imported emissions by 2050 compared to 2005. In order to achieve this objective, the Commission shall set out sub-targets and prepared roadmaps for each sector covered by this Regulation.

Or. en

Amendment 85
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 8 a (new)

Text proposed by the Commission

Amendment

(8 a) Tackling carbon leakage requires a global action. The European Union must not only lead by example, but also

cooperate with its partners to establish a global carbon price or create a climate club with “like-minded partners” as a long-term solution. Thus, the European Union should reinforce its climate diplomacy and open discussion with third countries, which are interested in adopting similar measure to CBAM, in order to harmonise their instruments.

Or. en

Amendment 86

Jessica Stegrud

Proposal for a regulation

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8 a) Problems related to carbon leakage should primarily be prevented by not imposing unrealistic demands on the European industry. If European competitiveness is preserved, protectionist measures would not be necessary. A long-term strategy should be based on research and industrial development;

Or. en

Amendment 87

Manuel Bompard

Proposal for a regulation

Recital 8 b (new)

Text proposed by the Commission

Amendment

(8 b) The reduction in the Union's imported emissions is currently based solely on the reduction commitments of its trading partners, which are currently insufficient to meet the objectives of the Paris Agreement. It is therefore imperative that the Union focus on the

means at its disposal to reduce its imported emissions.

Or. en

Amendment 88

Jessica Stegrud

Proposal for a regulation

Recital 8 b (new)

Text proposed by the Commission

Amendment

(8 b) Is highly concerned that the introduction of CBAM will lead to Europe increasingly producing for itself, thereby damaging its own economy without a positive effect on the net-effect on global carbon emissions;

Or. en

Amendment 89

Jessica Stegrud

Proposal for a regulation

Recital 8 c (new)

Text proposed by the Commission

Amendment

(8 c) To protect a heavily regulated industry by protectionism may prove difficult and not a cost efficient way to reduce global emissions of greenhouse gases, considering that protectionist measures from the EU are likely to trigger countermeasures from its trading partners. This would hamper the global economic development, indirectly reducing the resources available for environmental improvements. Furthermore this would damage export oriented Member States;

Or. en

Amendment 90
Jessica Stegrud

Proposal for a regulation
Recital 8 d (new)

Text proposed by the Commission

Amendment

(8 d) Rejects new measures that directly or indirectly transfer resources from European consumers and companies to the EU budget; any revenue generated from import taxes or adjustment fees should be retained by Member States;

Or. en

Amendment 91
Jessica Stegrud

Proposal for a regulation
Recital 8 e (new)

Text proposed by the Commission

Amendment

(8 e) Highlights that CBAM not only increases the possibility of international trade conflicts, but also that it further promotes more subsidies in third countries in order to achieve a reduction in emissions, thereby damaging global trade rules substantially;

Or. en

Amendment 92
Jessica Stegrud

Proposal for a regulation
Recital 8 f (new)

Text proposed by the Commission

Amendment

(8 f) Highlights that it is of utmost

importance that the CBAM rules do not have any detrimental effects on SMEs;

Or. en

Amendment 93

Jessica Stegrud

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 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. ***Underlines that CBAM will be more costly for the EU economies, which are more integrated with the rest of the world. Is concerned about the combination of EU ETS (including the gradual deletion of free allowances) and CBAM, which is likely to make EU businesses lose competitiveness and decrease global sales due to replacement by production elsewhere in the world. Is particularly worried that global production of CBAM goods might move to countries with lower carbon costs and higher carbon intensity in the production;***

Or. en

Amendment 94

Manuel Bompard

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) ***In order to ensure that the Union's imported emissions contribute as little as possible to global warming and that the EU cannot be suspected of reducing its territorial emissions through increased use of imports — thus placing the burden of mitigation on its trading partners — imported emissions need to decrease. Through the creation of a legal framework that contributes to this objective, the*** carbon border adjustment mechanism ('CBAM') is to serve as an essential element of the toolbox ***available to the Union to ensure its compliance*** with the Paris Agreement.

Or. en

Amendment 95

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis, Andreas Glück, Nicola Beer

**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 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, ***whilst preserving and promoting the development of European industries and ensuring an equal level playing field with regard to their competitiveness on EU and global markets;***

Or. en

Amendment 96

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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 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, ***while at the same time ensuring a level playing field in order to preserve the competitiveness of EU industries.***

Or. en

Amendment 97

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

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 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 ensuring a level playing field to preserve the competitiveness of EU industries.***

Amendment 98**Angelika Winzig, Othmar Karas****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 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. ***The CBAM is also consistent with the EU's objective of Open Strategic Autonomy.***

Or. en

Amendment 99**András Gyürk, Ernő Schaller-Baross****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 to meet the objective of a climate-neutral Union by 2050 in line with the Paris Agreement by ***preventing*** risks of carbon leakage resulting from the increased Union climate ambition ***on the internal market, export markets as well as investment leakage.***

Or. en

Justification

We support this amendment tabled by the Rapporteur in her draft report.

Amendment 100

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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 to meet the objective of a climate-neutral Union by 2050 in line with the Paris Agreement by **preventing** carbon leakage resulting from the increased Union climate ambition.

Or. en

Amendment 101

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9 a) Innovation will be crucial to boost growth and competitiveness by empowering EU businesses, in particular SMEs to become global leaders in developing new and clean technology and to achieve the European Green Deal objectives. The Commission and the Member States should channelled

*incentives and policies for innovation,
through a robust Innovation Fund to
promote zero-carbon industrial processes.*

Or. en

Amendment 102
Marek Paweł Balt

Proposal for a regulation
Recital 10

Text proposed by the Commission

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, 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.

deleted

Or. en

Justification

In our opinion at the present stage, the withdrawal of free allocation of EU ETS allowances should not be prejudged. A possible decision to withdraw free emission allowances should be made only after the CBAM functioning assessment, in an appropriate period after the completion of the pilot phase, allowing for the recognition of its consequences for the European industry.

Amendment 103
Manuel Bompard

Proposal for a regulation
Recital 10

(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.*

(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, *between 2008 and 2019, industrial sectors received more free allowances (37 million tonnes of CO₂ equivalent) than needed to cover their emissions, allowing them to sell their excess free allowances and make additional profits totalling around EUR 1.6 billion. Moreover, between 2008 and 2019, these sectors generated additional benefits worth EUR 3 billion from international offsets, and between EUR 26 and EUR 46 billion through the partial passing on of the opportunity costs of free allowances in product prices. In addition, in its 2020 audit report, the European Court of Auditors found that the transitional free allocation of allowances under the EU ETS between 2013 and 2018 was not well enough targeted to encourage the reduction of greenhouse gas emissions. Free allocation under the EU ETS has therefore been clearly contrary to the polluter pays principle enshrined in Article 191 TFEU.*

Or. en

Amendment 104

Damien Carême

on behalf of the Greens/EFA Group

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, free allocation ***and compensation schemes for indirect emission costs*** under the EU ETS ***undermine the polluter-pays principle and*** weakens the price signal that the system provides for the installations receiving it compared to full auctioning and thus ***heavily reduces the*** affects the incentives for investment into further abatement of emissions. ***Moreover, the free allowances under the EU ETS as well as compensation of indirect emission costs weaken the CBAM's compatibility with WTO rules. The CBAM should therefore be introduced in parallel with the phasing out of the free allowances and state aid compensation schemes for indirect emission costs for the affected sectors.***

Or. en

Justification

CBAM should be identified clearly as an alternative to current carbon leakage protection measures. Otherwise, it is not compatible with WTO rules.

Amendment 105
Evžen Tošenovský

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-

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, 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.***

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.

Or. en

Amendment 106
András Gyürk, Ernő Schaller-Baross

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.

Or. en

Justification

Free allocation is established under the ETS to protect from the risk of carbon leakage and it is recognized in the impact assessment accompanying the CBAM proposal that it has proven

to be an effective tool. The reference to the price signal is out of the CBAM scope. Therefore we strongly support this amendment tabled by the Rapporteur in her draft report.

Amendment 107

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia, Georg Mayer, Markus Buchheit

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.

Or. en

Amendment 108

Cristian-Silviu Buşoi

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

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, 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.***

on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC.

Or. en

Amendment 109

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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, 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. ***Free allocation at the level of best performers has been an adequate policy instrument for certain industrial sectors to address the risk of carbon leakage in the absence of a fair level playing field.***

Or. en

Amendment 110
Angelika Winzig

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. ***The system of meeting benchmarks as precondition for receiving*** free allocation under the EU ETS ***ensures an additional*** price signal that the system provides for the installations receiving ***them*** compared to full auctioning and thus affects ***positively*** the incentives for investment into further abatement of emissions ***and remains an important tool to reduce the risk of carbon leakage as long as there is no global CO2 emission pricing system.***

Or. en

Amendment 111
Marek Paweł Balt

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

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, 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.***

down in Articles 10a(6) and 10b of Directive 2003/87/EC. ***Such measures are based on strict benchmarks set by the best performing installations so that they preserve an incentive to reduce emissions under the ETS and provide a carbon price signal for emissions above the benchmark level; they have proven so far to be effective in mitigating the risk of carbon leakage, although in the context of lower carbon prices than those experienced recently and those forecasted by 2030.***

Or. en

Justification

Existing carbon leakage measures are based on strict benchmarks set by best performing installations, which preserves an incentive to reduce emissions above the benchmark and provides a carbon price signal for such emissions.

Amendment 112 **Dominique Riquet**

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, 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. ***It remains necessary for the economic balance and competitiveness of the sectors concerned.***

Amendment 113
Marek Paweł Balt

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 ***strengthen carbon leakage protection in view of higher EU climate ambition by 2030 and thereafter*** replace ***progressively*** 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 ***and by ensuring that EU products exported in the global market are not replaced by more carbon intensive products, which would undermine the objective of reducing global emissions. As indicated in the Impact Assessment accompanying the Commission proposal, “changes in employment are largely driven by the presence (or not) of free allocation”, since retaining free allocation results in better impact on employment.*** 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 ***as of 2030 after a test phase and an assessment by the Commission has proven the effectiveness of the CBAM regulation in terms of protection from the risk of carbon leakage both for imports and exports.*** 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.

Justification

CBAM needs to strengthen carbon leakage protection in view of higher 2030 climate ambition and thereafter replace progressively existing carbon leakage measures, provided its effectiveness is tested and proven.

Amendment 114

Jens Geier

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. 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. ***In order to make the CBAM retrievable, there will be a two-year review period in addition to the transitional period followed by a report of the Commission. After positive assessment, the reduction of free allocation should be implemented by applying a factor to free allocation for CBAM sectors, while the CBAM is phased in. This percentage (CBAM factor) should be equal to 100 % during the transitional and the review period between the entry into force of [CBAM Regulation] and 2027, 85% in 2028, 70% in 2029, 55% in 2030, 40% in 2031, 30% in 2032, 20% in 2033, 10% in 2034 and will reach 0 % by the end of 2035.*** 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 115**Andreas Glück, Nicola Beer****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 ***gradually*** 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 ***and by ensuring that EU export products are not replaced by more carbon intensive products, which would undermine the objective of reducing global emissions.*** To ensure a gradual transition from the current system of free allowances to the CBAM ***while preserving EU competitiveness,*** the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are ***gradually*** phased out ***after an assessment by the Commission has proven that the regulation is effective in protection from the risk of carbon leakage for both imports and exports. The gradual phase-out of free allowance is essential to ensure a just transition for energy-intensive sectors.*** 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 116**András Gyürk, Ernő Schaller-Baross**

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 ***progressively*** 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. ***The legislative framework should cumulatively ensure that a mechanism is included to provide effective carbon leakage protection, also addressing export markets, as well as a net positive impact on global GHG emissions rather than EU emissions only.*** 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, ***but this transition shall not start before 2030 and only after the EC has tested and verified the effectiveness of the CBAM regulation in terms of protection from the risk of carbon leakage.*** 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.

Or. en

Justification

The CBAM should aim to address climate change globally and protect the competitiveness of the EU industry in the context of the new EU climate targets. The current ETS measures to address the risk of carbon leakage should co-exist with the CBAM mechanism until 2030 (as referred to in article 31 of this regulation) in order to provide the adequate time to assess and test the effectiveness of the CBAM mechanism and to include a solution for export. This timeline is indeed needed in order to ensure that the CBAM regulation would properly deliver its targets.

Amendment 117

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyrali, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

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 *intends to complement and progressively* 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 phased in while free allowances *should be* phased out *only after a comprehensive transitional period between 2026 and 2030 and once the CBAM has proven to be efficient, fit for purpose, operational and tested to mitigate the risk of carbon leakage.* The combined application of EU ETS allowances allocated free of charge and of the CBAM *is needed to allow producers, importers and traders to adjust to the new regime and to assess the effective implementation of the CBAM but* should in no case result in more favourable treatment for Union goods compared to goods imported into the customs territory of the Union *as continuous trade with third countries are essential for the Union and its diversified supply chains.*

Or. en

Amendment 118

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis

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 **strengthen carbon leakage protection in view of higher EU climate ambition by progressively replacing** these existing mechanisms **and thereby** addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing **and costs** 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 **should be gradually** phased out. **The progressive phase-out of free allowances should only take place following an initial stage of data collection and analysis aimed at assessing the impact of the CBAM on the affected industries' competitiveness and in preventing carbon leakage both for imports and exports.** 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.

Or. en

Amendment 119

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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**

Amendment

(11) The CBAM seeks to **strengthen carbon leakage protection in view of higher EU climate ambition by 2030 and thereafter** replace **progressively** these existing mechanisms by addressing the risk

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.

of carbon leakage in a different way.

Or. en

Amendment 120

Seán Kelly

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 ***needs to complement*** these existing mechanisms by addressing the risk of carbon leakage in a ***better*** way, namely by ensuring equivalent carbon pricing for imports and domestic products ***while ensuring that the carbon pricing reflects the total embedded emissions of goods sold within the Union.*** To ensure a gradual ***yet rapid*** transition from the current system of free allowances to the ***pricing of all embedded emissions of good sold within the Union and subject to the CBAM, the number of CBAM certificates to be surrendered will gradually be raised following introduction of the CBAM. Also operators of installations subject to EU ETS will have to submit CBAM certificates for the emissions of goods sold domestically and not priced due to the granting of*** free allowances. The combined 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.

Or. en

Amendment 121
Evžen Tošenovský

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 **complement** 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 **and by ensuring that EU products exported in the global market are not replaced by more carbon intensive products**. To ensure a gradual transition from the current system of free allowances to the CBAM, the CBAM **could** be progressively phased in while free allowances in sectors covered by the CBAM **were potentially** phased out **after a test phase and a due assessment by the Commission that proves the effectiveness of the CBAM regulation in term of protection from the risk of carbon leakage both for imports and exports**. 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.

Or. en

Amendment 122
Manuel Bompard

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 ***potential risks*** of carbon leakage in a different way. To ensure a ***swift change*** 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 ***as rapidly as possible***.

Or. en

Amendment 123
Dominique Riquet

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

Amendment

(11) The CBAM seeks to ***provide an additional means of*** addressing the risk of carbon leakage, 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 ***during a pilot phase that will allow for its effectiveness to be assessed***. 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

customs territory of the Union.

of the Union. *Similarly, the application of these provisions should not negatively impact the competitiveness of EU goods, particularly exports.*

Or. fr

Amendment 124
Angelika Winzig

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 **complement** these existing mechanisms by addressing the risk of carbon leakage in **an additional** way, namely by ensuring equivalent carbon pricing for imports and domestic products. To ensure **the compliance with WTO rules**, the combined 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.

Or. en

Amendment 125
Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Nicolás González Casares

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) The CBAM seeks to replace these

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. 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.

existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic products. ***The CBAM should ensure an integrated approach between imports dynamics, the internal market development and the exports.*** 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.

Or. en

Amendment 126

Damien Carême

on behalf of the Greens/EFA Group

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***

Amendment

(11) The CBAM seeks to replace ***the*** existing carbon leakage ***mechanisms, by ending the exemptions to the application of the ‘polluter pays’ principle granted until now to European industry and by simultaneously creating fairness between the Union’s producers and those of third countries,*** by ensuring equivalent carbon pricing for imports and domestic products. ***The allocation of free allowances and the compensation of indirect emission costs should come to an end from the full application of the CBAM from 1 January 2025.***

the customs territory of the Union.

Or. en

Justification

CBAM should be identified clearly as an alternative to current carbon leakage protection measures. Otherwise, it is not compatible with WTO rules.

Amendment 127

Patrizia Toia, Robert Hajšel, Dan Nica

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 *should complement and progressively* 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 *once CBAM has been proven to be effective*. 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.

Or. en

Amendment 128

Andreas Glück, Nicola Beer

Proposal for a regulation

Recital 11 a (new)

(11 a) The phasing-out of free allowances has to take into consideration the EU's exporting industry. A phase-out of free allowances can only happen gradually as it otherwise would put European exports at a stark competitive disadvantage and, in the absence of a global carbon price, consequently lead to carbon leakage. It needs to be ensured that EU export products are not replaced by more carbon intensive products, which would undermine the objective of reducing global emissions. Therefore free allowances shouldn't be fully erased with the introduction of the CBAM and should be reserved for EU export goods to ensure a level playing field. These measures for exports have to remain WTO-compliant and consistent with the EU's environmental objectives. The gradual phasing out should only happen after an assessment by the Commission has proven that the CBAM is effective in protection from the risk of carbon leakage from both imports and exports.

Or. en

Amendment 129

Massimiliano Salini, Cristian-Silviu Buşoi, Tomas Tobé

Proposal for a regulation

Recital 11 a (new)

(11 a) To prevent carbon leakage both in the Union and in third country markets, goods of Union origin that are subject to the Carbon Border Adjustment Mechanism of this Regulation and that are exported to third countries and territories should benefit from an export adjustment. This export adjustment must continue to incentivize Union producers

to reduce their emissions and should apply until third countries adopt carbon prices and equivalent measures that are comparable to those in the Union, with special attention to interrelated carbon leakage protection measures, taking into account the principle of common but differentiated responsibilities and respective capabilities, in the light of different national circumstances.

Or. en

Amendment 130

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) First, under the import provisions, the CBAM seeks to ensure 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 progressively phased out as of 2030 and only provided that the CBAM has proved to be effective to prevent the risk of carbon leakage both for imports and exports. 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.

Or. en

Amendment 131

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Bart Groothuis, Andreas Glück, Nicola Beer

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11 a) The progressive phase-in of the CBAM and phase-out of free allocations should be accompanied by an annual review mechanism in order to realistically assess the feasibility of any further phase-out of free allocations should the CBAM be unable to adequately protect European industry against carbon leakage. Key indicators of this assessment include the profitability of European producers in the sectors covered by the CBAM, the evolution of EU market and domestic demand, as well as trade flows of European imports and exports in CBAM sectors;

Or. en

Amendment 132

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

Amendment

(11 b) Second, under the export provisions, the CBAM seeks to limit the risk of replacement of European low-carbon exports with carbon intense products on third-country markets which would undermine the objective of reducing global emissions. It is necessary to continue addressing the risks of carbon leakage associated with European exports to third countries which have not yet limited or priced GHG emissions at the same levels as the EU, by introducing allowance adjustments for exports as of the start of the progressive phasing out of free allowances. Those allowance adjustments for exports are established as

a component of the EU ETS and are introduced as part of the CBAM to prevent carbon leakage associated with European exports. To this end, the allowance adjustments for export would remain in force independently from the reduction commitments of free allowances under the EU ETS until other countries take equivalent and effective steps to impose carbon costs on competing production. .

Or. en

Amendment 133

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 11 c (new)

Text proposed by the Commission

Amendment

(11 c) Given the unique characteristics of price formation on the EU electricity market, that are not existing in third countries, the mechanism in Article 10a(6) shall remain outside the scope of CBAM until the CBAM can accurately mirror the indirect costs that are actually passed on in electricity prices in Europe.

Or. en

Amendment 134

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation

Recital 12

Text proposed by the Commission

Amendment

(12) While the objective of the CBAM is to prevent the risk of carbon leakage, this

(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.

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. ***The CBAM hence might be an effective measure to lower emissions in third countries while ensuring European industry competitiveness. Reducing emissions in the Union as well as in third countries is an effective way to reduce the risk of carbon leakage. The CBAM should be seen as a step towards global pricing on carbon emissions which would further reduce the risk of carbon leakage globally.***

Or. en

Amendment 135

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Nils Torvalds, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis, Andreas Glück, Nicola Beer

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) 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. ***The Commission should regularly assess and monitor whether the CBAM encourages the use of more GHG emission-efficient technologies in third countries, in coordination with the affected industrial sectors and broader stakeholders, and provide additional measures where necessary.***

Or. en

Amendment 136
András Gyürk, Ernő Schaller-Baross

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) While the objective of the CBAM is to prevent the risk of carbon leakage, ***from the internal market, export markets, and investment leakage***, this Regulation would ***at the same time*** encourage the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated. ***Encouraging emission reductions in third countries is the most effective way of avoiding the risk of carbon leakage***

Or. en

Justification

We support this amendment tabled by the Rapporteur in her draft report.

Amendment 137
Jessica Stegrud

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) ***Emphasises that it is doubtful that CBAM will provide a profound incentive to other countries to introduce their own systems of carbon pricing, once they realize that the global economy is gradually shifting away from the EU towards emerging and middle-income countries and that it would damage their total export and domestic consumption;***

Or. en

Amendment 138
Manuel Bompard

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) While the objective of the CBAM is to ***promote the reduction of the Union's imported emissions and ensuring the polluter-pays principle is applied to covered sectors***, this Regulation ***does this by encouraging the reduction of GHG emissions related to the production processes of covered producers in the EU and*** from third countries, ***including through circular economy solutions*** , so that less emissions per unit of output are generated.

Or. en

Amendment 139
Angelika Winzig

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) 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. ***Therefore, it will be relevant to export more sustainable products manufactured in the EU and avoid substitutes at a global level with higher carbon footprint.***

Or. en

Amendment 140

Damien Carême

on behalf of the Greens/EFA Group

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) While the objective of the CBAM is to prevent ***possible*** the risk of carbon leakage ***and ensuring the polluter-pays principle is applied to covered sectors***, 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.

Or. en

Amendment 141

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12 a) While the objective of the CBAM, combined with a revised ETS, is primarily to reduce greenhouse gas emissions inside and outside the Union in the pursuit of the Paris Agreement targets, this measure could also bring other economic and climate benefits. By contributing to ensuring effective and meaningful carbon pricing, as part of a broader regulatory environment, this Regulation can act as an economic incentive to spur investments in the decarbonisation of the economies of the Union and the world. This Regulation can also act as an incentive for a greater regulatory ambition and promote multilateral dialogue with a view to setting a minimum carbon price

globally.

Or. en

Amendment 142

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyrali, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

**Proposal for a regulation
Recital 12 a (new)**

Text proposed by the Commission

Amendment

(12 a) While the surrendering of CBAM certificates for EU importers addresses the risk of carbon leakage on the EU market, it is essential that the CBAM would also seek to reduce the possibility of European low-carbon exports being replaced by carbon-intensive items on third country markets or by goods that are not subject to equivalent climate policy and carbon costs, undermining the goal of lowering global emissions. It is therefore necessary to continue addressing the risk of carbon leakage associated with European exports to third countries that have not yet limited or priced GHG emissions at the same levels as the EU.

Or. en

**Amendment 143
Angelika Winzig**

**Proposal for a regulation
Recital 12 a (new)**

Text proposed by the Commission

Amendment

(12 a) While the surrendering of CBAM certificates for EU importers addresses the risk of carbon leakage on the EU market, it is essential that the CBAM

would also seek to reduce the possibility of European low-carbon exports being replaced by carbon-intensive items on third country markets or by goods that are not subject to equivalent climate policy and carbon costs, undermining the goal of lowering global emissions. It is therefore necessary to continue addressing the risk of carbon leakage associated with European exports to third countries that have not yet limited or priced GHG emissions at the same levels as the EU.

Or. en

Amendment 144
Angelika Winzig, Othmar Karas

Proposal for a regulation
Recital 12 b (new)

Text proposed by the Commission

Amendment

(12 b) If European industries producing goods subject to the CBAM face significant difficulties as a result of its implementation, the Commission develops an in-depth assessment in close collaboration with the industrial sectors. This assessment should be completed as soon as possible to determine whether the mechanism is effective and practicable.

Or. en

Amendment 145
Jessica Stegrud

Proposal for a regulation
Recital 13

Text proposed by the Commission

Amendment

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the CBAM should ensure that imported

(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.

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.

Regrets that there is no consensus about the question if a CBAM-like system would be compatible with WTO rules or not.

However highlights that the absence of a fully functional WTO dispute settlement mechanism, will increase the incentive for third countries to respond to CBAM directly without going to the WTO first, thereby increasing harmful and unexpected trade retaliation dynamics; Calls therefore for a realistic and profound assessment of trade implications, before continuing the political process of CBAM;

Or. en

Amendment 146
Angelika Winzig

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.
However, the CBAM should be combined with rules addressing the exports component, such as the implementation of full or partial export duty exemptions, in

order to fully eliminate concerns of carbon leakage and protect the competitiveness of European exported goods. Such a mechanism would be in line with the rules provided by the WTO Agreement on Subsidies and Countervailing Measures(ASCM).

Or. en

Amendment 147

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

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, *resulting in a carbon cost equalization between national products and imported*. The CBAM is a climate measure which should *support increased ambition on the reduction of emissions in the Union in line with the European Green Deal and the European Climate Law and it should* prevent the risk of carbon leakage, while ensuring WTO compatibility.

Or. en

Amendment 148

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Bart Groothuis, Andreas Glück, Nicola Beer

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, ***resulting in an equalisation of carbon costs between imported and domestic products.*** 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.

Or. en

Amendment 149

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyrali, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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 industrial competitiveness.***

Or. en

Amendment 150
Manuel Bompard

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 *and environmental protection* measure which should support the *reduction of emissions in the Union in line with the European Green Deal and Regulation (EU) 2021/1119.*

Or. en

Amendment 151

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) As CBAM is a mechanism that addresses the risk of carbon leakage on the EU market for EU imports, it is essential to avoid the risk that EU exports are replaced by more carbon intensive goods on the global market. Hence, the Commission shall analyse its implementation and effectiveness throughout the administrative transitional period and shall by the end of this period submit a report to the European Parliament and Council that specifies the carbon leakage risk on export markets accompanied with a proposal preventing

the carbon leakage risk on export markets with safeguards of products intended for exports, such as export rebates.

Or. en

Amendment 152
Manuel Bompard

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) While not its main objective, the CBAM could also indirectly contribute to improving the Union's strategic resilience and autonomy, to shortening, making more sustainable and diversifying European industries' supply chains in order to reduce overdependence on a few markets, to relocating industrial production in sectors of strategic importance to the Union, and to creating quality jobs at local level.

Or. en

Amendment 153
Jessica Stegrud

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

Amendment

(13 a) Considers it a prerequisite for the introduction of CBAM that the mechanism will have both a positive effect on global carbon emissions and EU competitiveness. Further rejects the proposal to introduce CBAM, if the proposal is not compatible with WTO law;

Or. en

Amendment 154
Jessica Stegrud

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

Amendment

(13 b) Recalls that trade retaliation can have the aim to hit the EU where it would hurt the most; highlights that the EU, due to its climate ambitions, will increasingly be dependent of raw materials such as rare earth, lithium, cobalt, graphite; is worried about the danger that CBAM might lead to expensive restrictions to these much needed commodities and thus increase the EU's geopolitical vulnerability;

Or. en

Amendment 155
Jessica Stegrud

Proposal for a regulation
Recital 13 c (new)

Text proposed by the Commission

Amendment

(13 c) Whereas the WTO Appellate Body has ruled that the question of whether there is an import measure or an internal regulation turns on what triggers the obligation to pay; notes that if an obligation to pay accrues at the moment of and "by virtue of the event of importation," it is considered an import measure;

Or. en

Amendment 156
Jessica Stegrud

Proposal for a regulation
Recital 13 d (new)

Text proposed by the Commission

Amendment

(13 d) It is desirable that, for instance, China takes measures to reduce its emissions of greenhouse gases and it would be legitimate for the EU to bring forward such demands. In this context, Chinese violations of human rights, tightly linked to its export industries, should be brought up.

Or. en

Amendment 157

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 14

Text proposed by the Commission

Amendment

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries, except where their production has already been subject to the EU ETS, whereby it applies to third countries or territories, or to a carbon pricing system fully linked with the EU ETS.

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries, except where their production has already been subject to the EU ETS, whereby it applies to third countries or territories, or to a carbon pricing system fully linked with the EU ETS. ***Exceptions will be granted only to those goods imported into the customs territory of the Union which are subject to carbon cost burden equivalent to that incurred under the EU ETS.***

Or. en

Amendment 158
Manuel Bompard

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries, ***except where their production has already been subject to the EU ETS, whereby it applies to third countries or territories, or to a carbon pricing system fully linked with the EU ETS.***

Amendment

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries.

Or. en

Amendment 159
Manuel Bompard

Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14 a) There should be no exemptions or reductions granted to imports, based on implicit carbon pricing or other greenhouse gas emission reduction policies. However, the Commission should engage in climate diplomacy and cooperate with its trade partners on decarbonisation policies, which should replace the CBAM but instead complement it.

Or. en

Amendment 160
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14 a) This Regulation should also apply to goods produced in EU installations subject to the EU ETS and exported from

the customs territory of the Union to third countries which have not yet limited or priced GHG emissions at the same levels as the EU.

Or. en

Amendment 161
Manuel Bompard

Proposal for a regulation
Recital 15

Text proposed by the Commission

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.

deleted

Or. en

Amendment 162
Angelika Winzig, Othmar Karas

Proposal for a regulation
Recital 15

Text proposed by the Commission

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

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS *and where the carbon cost burden is equivalent to that under the EU ETS*, in the event of future agreements, the power to adopt acts

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.

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.

Or. en

Amendment 163

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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 ***and where the carbon cost burden is equivalent to that under 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.

Or. en

Amendment 164

András Gyürk, Ernő Schaller-Baross

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

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 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.

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 **transitional** period and upon further assessment, as well to indirect emissions, mirroring the scope of the EU ETS, ***once impact on all aspects of carbon leakage for energy-intensive sectors of applying CBAM to indirect emissions with eventual withdrawal of indirect EU ETS compensation is fully analysed and measures to avoid such leakage are securely in place.***

Or. en

Justification

We strongly support this amendment tabled by the Rapporteur in her draft report.

Amendment 165

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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 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.

Including indirect emissions and pricing them in the CBAM should be done only once the mismatch between indirect carbon costs and indirect carbon emissions has been reduced to a minimum, as the European electricity grid decarbonises.

Or. en

Amendment 166

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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 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 *the administrative transitional* period and upon further assessment *on the impact on carbon leakage for energy-intensive sectors with a withdrawal of EU ETS compensation*, as well to indirect emissions, mirroring the scope of the EU ETS.

Or. en

Amendment 167

Damien Carême

on behalf of the Greens/EFA Group

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 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, as well to indirect emissions, mirroring the scope of the EU ETS.

Or. en

Justification

The inclusion of indirect emissions to the CBAM scope would also better reflect the carbon cost borne by European industry, where the power sector is covered under the EU ETS and is required to purchase all its emission allowances at auctions.

Amendment 168
Manuel Bompard

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***

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 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, ***so as to best reflect the carbon footprint of different***

assessment, as well to indirect emissions, mirroring the scope of the EU ETS.

productions.

Or. en

Amendment 169
Manuel Bompard

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) *According to a report of the United Nations Conference on Trade and Development (UNCTAD), a CBAM which would merely be a competitiveness policy compensating for a difference in production costs between the EU and regions without a binding climate policy would have a limited contribution to climate change mitigation, as it would reduce only 0.1 % of global CO₂ emissions.*

Or. en

Amendment 170
Damien Carême
on behalf of the Greens/EFA Group

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 *polluter-pays principle*, the environmental objective set out in Union

Amendment 171

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Bart Groothuis

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 imported into the customs territory of the Union.

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 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 imported into the customs territory of the Union ***and should either not be applied to exported goods or should incorporate WTO-compatible solutions such as export adjustments mechanisms to avoid carbon leakage on European exports. Such mechanisms for exports shall only apply to the most GHG emission-efficient products in order to avoid carbon transfer abroad.***

Amendment 172

Manuel Bompard

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***

Amendment

(19) ***The CBAM should therefore set an absolute cap on the GHG emissions associated with goods imported into the***

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 imported into the customs territory of the Union.

customs territory of the Union *along the lines of the absolute cap set by the EU ETS for GHG emissions from activities falling within its scope.*

Or. en

Amendment 173

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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 imported into the customs territory of the Union.

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 *or disrupted*. 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 *to ensure a level playing field and prevent the risk of carbon leakage while ensuring compatibility with WTO*.

Or. en

Amendment 174

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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 imported into the customs territory of the Union.

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 should not establish quantitative limits to import ***or export***, 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 ***or exported from*** the customs territory of the Union.

Or. en

Amendment 175

Andreas Glück, Nicola Beer

Proposal for a regulation

Recital 19 a (new)

Text proposed by the Commission

Amendment

(19 a) In order to not disproportionately hinder existing trade flows by CBAM obligations, we must do the utmost to reduce unnecessary administrative burden, for instance by recognition of third countries’ emission monitoring systems.

Or. en

Amendment 176

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis, Andreas Glück, Nicola Beer

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 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 particular for SMEs***, 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.

Or. en

Amendment 177

Angelika Winzig, Othmar Karas

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 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 ***does not add excessive administrative burden to EU companies*** in terms of obligations imposed on the operators and of resources, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS.

Or. en

Amendment 178
Manuel Bompard

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 its own target for reducing imported emissions***, 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 ***framework for organizing the reduction of the Union's imported emissions*** 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.

Or. en

Amendment 179
Manuel Bompard

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) In order to ***preserve its effectiveness as a carbon leakage measure***, the CBAM ***needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances is determined through auctions, the price of CBAM certificates should reasonably reflect the price of such auctions through averages calculated on a weekly basis. Such weekly average prices reflect closely the price fluctuations of the EU ETS and***

Amendment

(21) In order to ***ensure that*** the CBAM ***does not unduly disadvantage developing and vulnerable countries, it is important that goods imported into the Union and goods produced within the Union are subject to equivalent carbon pricing consistent with the Paris Agreement.***

allow a reasonable margin for importers to take advantage of the price changes of the EU ETS while at the same ensuring that the system remains manageable for the administrative authorities.

Or. en

Amendment 180

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) In order to preserve its effectiveness as a carbon leakage measure, the CBAM needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances is determined through auctions, the price of CBAM certificates should reasonably reflect the price of such auctions through averages calculated on a weekly basis. Such weekly average prices reflect closely the price fluctuations of the EU ETS and allow a reasonable margin for importers to take advantage of the price changes of the EU ETS while at the same ensuring that the system remains manageable for the administrative authorities.

Amendment

(21) In order to preserve its effectiveness as a carbon leakage measure, the CBAM needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances is determined through auctions, the price of CBAM certificates *for imports* should reasonably reflect the price of such auctions through averages calculated on a weekly basis. Such weekly average prices reflect closely the price fluctuations of the EU ETS and allow a reasonable margin for importers to take advantage of the price changes of the EU ETS while at the same ensuring that the system remains manageable for the administrative authorities.

Or. en

Amendment 181

Manuel Bompard

Proposal for a regulation

Recital 22

Text proposed by the Commission

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

Amendment

(22) *In order to address the risk that the carbon price may fluctuate too much, making it too uncertain for importers to*

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.

plan the reduction of imported emissions, or that the carbon price may be too low to encourage the reduction of imported emissions, a new independent agency should be set up with a mandate to ensure the irreversible and gradual reduction of the Union's imported emissions through a monopoly on the issuance of CBAM certificates with a fixed price, the number of which decreases over time.

Or. en

Amendment 182

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 22

(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.

(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 **import** certificates available to importers, if importers had the possibility to carry forward and trade CBAM **import** certificates, this could result in situations where the price for CBAM **import** 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 **import** 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 **import** certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.

Or. en

Amendment 183

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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, ***under the import provisions***, 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.

Or. en

Amendment 184

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 23 a (new)

Text proposed by the Commission

Amendment

(23 a) Under the export provisions of the CBAM, given that the installations concerned can be easily identified, the CBAM would apply to EU installations. The adjustment allowances provided for exported products will calibrate the regulatory obligation and the net regulatory burden imposed under the CBAM regime when those goods are exported from the customs territory of the Union to third countries which have not yet limited or priced GHG emissions at the

same levels as the EU.

Or. en

Amendment 185

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Andreas Glück, Nicola Beer

**Proposal for a regulation
Recital 23 a (new)**

Text proposed by the Commission

Amendment

(23 a) Given the unique nature of the CBAM and the need for close EU coordination, a centralized CBAM authority at EU level should be established to properly implement and monitor the import and export provisions of the CBAM, and to avoid unnecessary administrative burdens on competent national authorities.

Or. en

Amendment 186

Angelika Winzig

**Proposal for a regulation
Recital 23 a (new)**

Text proposed by the Commission

Amendment

(23 a) Given the unique nature of the CBAM and the need for close EU coordination, a CBAM authority at the EU level should be established to properly implement and monitor the provisions contained in this regulation.

Or. en

Amendment 187

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola

Danti, Nils Torvalds, Bart Groothuis

Proposal for a regulation
Recital 23 b (new)

Text proposed by the Commission

Amendment

(23 b) All circumvention practices must be prohibited, including resource shuffling, cost absorption, manipulation of emissions data, wrongful labelling of goods and slight modifications of the product so as to import a product under a different customs code, thereby avoiding the obligations set out in this Regulation.

Or. en

Amendment 188

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis

Proposal for a regulation
Recital 24

Text proposed by the Commission

Amendment

(24) In terms of sanctions, Member States should apply penalties to infringements of this Regulation and ensure that they are implemented. The amount of those penalties should be identical to penalties currently applied within the Union in case of infringement of EU ETS according to Article 16(3) and (4) of Directive 2003/87/EC.

(24) In terms of sanctions, Member States should apply penalties to infringements of this Regulation and ***competent national authorities should*** ensure that they are implemented. The amount of those penalties should be identical to penalties currently applied within the Union in case of infringement of EU ETS according to Article 16(3) and (4) of Directive 2003/87/EC. ***However, in case of circumvention practices or in case of repeated infringements of the provisions of this Regulation, stronger penalties should apply to avoid undermining the effectiveness of the CBAM regime.***

Or. en

Amendment 189

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyrali, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation

Recital 24

Text proposed by the Commission

(24) In terms of sanctions, Member States should apply penalties to infringements of this Regulation and ensure that they are implemented. The amount of those penalties should be identical to penalties currently applied within the Union in case of infringement of EU ETS according to Article 16(3) and (4) of Directive 2003/87/EC.

Amendment

(24) In terms of sanctions, Member States should apply penalties to infringements ***or circumvention practises*** of this Regulation and ensure that they are implemented. The amount of those penalties should be identical to penalties currently applied within the Union in case of infringement of EU ETS according to Article 16(3) and (4) of Directive 2003/87/EC.

Or. en

Amendment 190

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) While the EU ETS applies to certain production processes and activities, the CBAM should target the corresponding imports of goods. That requires clearly identifying imported goods by way of their classification in the Combined nomenclature⁴¹ ('CN') and linking them to embedded GHG emissions.

Amendment

(25) While the EU ETS applies to certain production processes and activities, the CBAM should target the corresponding imports ***or exports*** of goods. That requires clearly identifying imported ***or exported*** goods by way of their classification in the Combined nomenclature⁴¹ ('CN') and linking them to embedded GHG emissions.

⁴¹ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

⁴¹ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

Or. en

Amendment 191
Manuel Bompard

Proposal for a regulation
Recital 26

Text proposed by the Commission

(26) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union.

Amendment

(26) ***In a first phase***, the product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union.

Or. en

Amendment 192
Damien Carême
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 28

Text proposed by the Commission

(28) Whilst the ultimate objective of the CBAM is ***a broad product coverage***, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. ***Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708⁴².***

Amendment

(28) Whilst the ultimate objective of the CBAM is ***to cover those products that contribute significantly to climate change and face a genuine risk of carbon leakage***, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a ***potential*** risk of carbon leakage. ***Before the end of the transition period, the Commission should propose to extend the scope of this Regulation to other products than those listed in Annex I, including but not limited to oil, paper, glass, and upstream and downstream products, as well as the components of finished products that use products covered by this Regulation. The Commission should take***

account of the potential social impacts of extending the scope and propose measures to minimise these effects, where necessary.

⁴² Commission Delegated Decision (EU) 2019/708 of 15 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council concerning the determination of sectors and subsectors deemed at risk of carbon leakage for the period 2021 to 2030 (OJ L 120, 8.5.2019, p. 2).

⁴² Commission Delegated Decision (EU) 2019/708 of 15 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council concerning the determination of sectors and subsectors deemed at risk of carbon leakage for the period 2021 to 2030 (OJ L 120, 8.5.2019, p. 2).

Or. en

Amendment 193

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation Recital 28

Text proposed by the Commission

(28) Whilst the ultimate objective of the CBAM is a **broad** product coverage, it **would be** prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708⁴².

⁴² Commission Delegated Decision (EU)

Amendment

(28) Whilst the ultimate objective of the CBAM is a **broader** product coverage, it **is** prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. ***The Commission should consider to further extend the scope of included goods, when CBAM is proven efficient to reduce carbon leakage for the sectors included in Annex I of this Regulation. A proposal of the inclusion of finished goods shall be presented by the Commission before the comprehensive transitional period.*** Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708⁴².

⁴² Commission Delegated Decision (EU)

2019/708 of 15 February 2019
supplementing Directive 2003/87/EC of
the European Parliament and of the
Council concerning the determination of
sectors and subsectors deemed at risk of
carbon leakage for the period 2021 to 2030
(OJ L 120, 8.5.2019, p. 2).

2019/708 of 15 February 2019
supplementing Directive 2003/87/EC of
the European Parliament and of the
Council concerning the determination of
sectors and subsectors deemed at risk of
carbon leakage for the period 2021 to 2030
(OJ L 120, 8.5.2019, p. 2).

Or. en

Amendment 194 **Manuel Bompard**

Proposal for a regulation **Recital 28**

Text proposed by the Commission

(28) Whilst the ultimate objective of the CBAM is a broad product coverage, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708⁴².

⁴² Commission Delegated Decision (EU) 2019/708 of 15 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council concerning the determination of sectors and subsectors deemed at risk of carbon leakage for the period 2021 to 2030 (OJ L 120, 8.5.2019, p. 2).

Amendment

(28) Whilst the ultimate objective of the CBAM is a broad product coverage, **and complete and swift replacement of the free allocation of allowances**. It would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a **potential** risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708⁴².

⁴² Commission Delegated Decision (EU) 2019/708 of 15 February 2019 supplementing Directive 2003/87/EC of the European Parliament and of the Council concerning the determination of sectors and subsectors deemed at risk of carbon leakage for the period 2021 to 2030 (OJ L 120, 8.5.2019, p. 2).

Or. en

Amendment 195 **Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis**

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort. ***Specific attention should also be paid to the risk of market distortions between the different sectors covered by the CBAM, as well as between sectors covered by CBAM and those not covered by the mechanism, in terms of product substitution due to the lower price competitiveness of products subject to the CBAM regulation.***

Or. en

Amendment 196
Manuel Bompard

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of ***cumulated*** GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. ***Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.***

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of ***cumulative*** GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden, ***and taking into consideration alternative approaches consistent with the polluter-pays principle to address the objectives of this Regulation.*** . In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage.

Or. en

Amendment 197

Angelika Niebler, Christian Doleschal

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden ***and taking into account the complex production processes and deeply integrated value chains of the different***

with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

sectors. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort ***and avoiding negative impacts because of complex production processes and deeply integrated value chains of specific sectors.***

Or. en

Justification

When selecting the sectors that will be covered under this Regulation, the complex production processes and deeply integrated value chains of sectors have to be considered in order to avoid economic burdens on these sectors.

Amendment 198

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS

with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort. ***fourthly, the impact of Covid-19 on global supply chain disruption and the increasing of prices in raw materials and other strategic sectors.***

Or. en

Amendment 199

Carlos Zorrinho, Robert Hajšel, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

Proposal for a regulation Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in

terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort. ***Particular attention should also be paid to the risk of market distortions between the different sectors covered by the CBAM.***

Or. en

Amendment 200

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden ***for European industry, affected authorities, companies and SMEs.*** In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of

balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

Or. en

Amendment 201

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Bart Groothuis

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, **and** fertilisers.

Amendment

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, fertilisers, **plastics and hydrogen. Before widening the scope of the CBAM to new sectors, including downstream products using goods covered by the CBAM, a prior assessment should be carried out by the Commission in consultation with the affected industries and stakeholders in order to verify its practicability and effectiveness. Any further extension of the scope to additional industrial sectors should be based on a predictable, clear and binding timetable.**

Or. en

Amendment 202

Manuel Bompard

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) **The use of the first criterion allows listing** the following industrial sector in

Amendment

(30) The following industrial sector **should be included in the initial scope of**

terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, and fertilisers.

this Regulation: iron and steel, refineries, cement, **aluminium**, organic basic chemicals, **hydrogen, polymers ('plastics')** and fertilisers.

Or. en

Amendment 203

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 30

Text proposed by the Commission

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, and fertilisers.

Amendment

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, **hydrogen, polymers** and fertilisers.

Or. en

Justification

The production of renewable hydrogen is completely exposed to imports of carbonic hydrogen produced with fossil fuels, especially at the current nascent early stage. Therefore, it is required to include hydrogen production and certain derivatives (e.g. ammonia) among the first CBAM sectors in order to avoid carbon leakage in this industry.

Amendment 204

Manuel Bompard

Proposal for a regulation

Recital 31

Text proposed by the Commission

(31) *However, certain sectors listed in Commission Delegated Decision (EU) 2019/708 should not at this stage be addressed in this Regulation, due to their particular characteristics.*

Amendment

deleted

Amendment 205
Manuel Bompard

Proposal for a regulation
Recital 32

Text proposed by the Commission

Amendment

(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.* **deleted**

Or. en

Amendment 206
Damien Carême
on behalf of the Greens/EFA Group

Proposal for a regulation
Recital 32

Text proposed by the Commission

Amendment

(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.* **deleted**

Amendment 207

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nils Torvalds, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Bart Groothuis

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 do not allow to clearly define the embedded emissions of imported goods. For these goods the applicable ***and clearly defined*** 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, ***which should be carried out before the phase-in of the CBAM or during the transition period;***

Amendment 208
Manuel Bompard

Proposal for a regulation
Recital 33

Text proposed by the Commission

(33) Similar technical constraints apply to refinery products, for which it is not possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output.

Amendment

deleted

Amendment 209**András Gyürk, Ernő Schaller-Baross****Proposal for a regulation****Recital 33***Text proposed by the Commission*

(33) Similar technical constraints apply to refinery products, for which it is not possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output.

Amendment

(33) Similar technical constraints apply to refinery products, for which it is not possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output. ***Due to these constraints, refinery products should be eligible to be included in the scope only if an unambiguous, verifiable and effective methodology is developed in close cooperation with all stakeholders concerned.***

Or. en

Justification

We support the development of a methodology to determine the carbon emitted during the manufacture of refining products that ensures a high level of fairness when comparing the carbon intensity of products made in EU and in non-EU regions. Together with the inclusion of a testing period to assess the effectiveness of the CBAM mechanism and the inclusion of an export measure, the development of an appropriate methodology could positively lead to the inclusion of the refining products in the CBAM scope.

Amendment 210**Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia****Proposal for a regulation****Recital 33***Text proposed by the Commission*

(33) Similar technical constraints apply to refinery products, for which it is not

Amendment

(33) Similar technical constraints apply to refinery products, for which it is not

possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output.

possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output. ***Due to these constraints, refinery products should be eligible to be included in the scope only if an unambiguous, verifiable and effective methodology is developed in close cooperation with the refining industry.***

Or. en

Amendment 211
Manuel Bompard

Proposal for a regulation
Recital 34

Text proposed by the Commission

Amendment

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future.

deleted

Or. en

Amendment 212
Cristian-Silviu Buşoi

Proposal for a regulation
Recital 34

Text proposed by the Commission

Amendment

(34) However, aluminium products

(34) However, aluminium products

should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future.

should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future. ***Including indirect emissions and pricing them in the CBAM could be considered only once the mismatch between indirect carbon costs and indirect carbon emissions has been reduced to a minimum, as the European electricity grid decarbonises, and the downstream impacts in terms of carbon leakage across the full aluminium value chain have been assessed. Indirect carbon costs will still be relevant in the period from 2021 to 2030, also considering the increased climate ambitions and the revised ETS Directive 2003/87/EC. If after the initial transitional period, the data collected by the Commission shows that the CBAM cannot effectively protect against carbon leakage and incentivise the reduction global emissions, further phase-in of CBAM and phase-out of free allocation of emission allowances should be paused until an effective solution can be found.***

Or. en

Amendment 213

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia, Georg Mayer, Markus Buchheit

Proposal for a regulation Recital 34

Text proposed by the Commission

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel

Amendment

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel

products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future.

products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future. ***However, including indirect emissions and pricing them in the CBAM could be considered only once the mismatch between indirect carbon costs and indirect carbon emissions has been reduced to a minimum. If after the initial transitional period, the data collected by the Commission shows that the CBAM cannot effectively protect against carbon leakage and incentivise the reduction of global emissions, further phase-in of CBAM and phase-out of free allocation of emission allowances should be paused until an effective solution can be found.***

Or. en

Amendment 214 **Seán Kelly**

Proposal for a regulation **Recital 34**

Text proposed by the Commission

(34) ***However***, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM ***may be extended to cover*** also indirect emissions in the ***future***.

Amendment

(34) Aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM also ***covers indirect emissions. A specific benchmark for alumina product is needed to assess the value chain and ensure EU strategic autonomy for raw materials. Embedded emissions understood as the emissions coming from the transformation of the product at the industrial site. Indirect emissions coming from raw material extraction and transformation should not***

be taken into account in the embedded emissions calculation so that it does not compete unfairly with secondary materials.

Or. en

Amendment 215

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM may be extended to cover also indirect emissions in the future.

Amendment

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM, ***after thorough data collection and analysis of its impact on the industries concerned***, may be extended to cover also indirect emissions in the future.

Or. en

Amendment 216

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 34

Text proposed by the Commission

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel

Amendment

(34) However, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel

products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM *may* be extended to cover also indirect emissions in the future.

products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM *will* be extended to cover also indirect emissions in the future.

Or. en

Amendment 217

Angelika Niebler, Christian Doleschal

Proposal for a regulation

Recital 34 a (new)

Text proposed by the Commission

Amendment

(34 a) Any future extension of the scope of this Regulation should take into account the carbon leakage risks for downstream sectors and exporters.

Or. en

Amendment 218

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia, Georg Mayer, Markus Buchheit

Proposal for a regulation

Recital 35 a (new)

Text proposed by the Commission

Amendment

(35 a) In case European industries producing goods subject to the CBAM face serious difficulties as a result of its implementation, an in-depth assessment developed in close cooperation with the industrial sectors should be made as promptly as possible to examine whether a CBAM is effective and practicable.

Or. en

Amendment 219

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia, Georg Mayer, Markus Buchheit

Proposal for a regulation

Recital 36 a (new)

Text proposed by the Commission

Amendment

(36 a) Before widening the scope of the CBAM to new sectors, including downstream products using goods covered by the CBAM, a prior assessment should be made by the European Commission in consultation with the industrial sectors in order to check its practicability and effectiveness.

Or. en

Amendment 220

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 36 b (new)

Text proposed by the Commission

Amendment

(36 b) Circumvention practices must be prohibited, where a change in the pattern of trade between third countries and the Union or between third countries, or between individual companies or within the same undertaking in relation with products included in the scope of this regulation, whether slightly modified or not, stems from a practice, process or work that have insufficient due cause or economic justification other than avoiding obligations as laid down in this Regulation. Those practices should include all types of circumvention practices, including resource shuffling, cost absorption, manipulation of emissions data, wrongful labelling of goods and slight modifications of the product so as to import a product under a different customs code thereby avoiding

the present Regulation.

Or. en

Amendment 221

Adam Jarubas, Jerzy Buzek, Janusz Lewandowski

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, 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 **CBAM Authority**

(This amendment applies throughout the text. Adopting it will necessitate corresponding changes throughout.)

Or. en

Justification

In order to maintain proper and equal functioning of CBAM, the system shall be centralised. Therefore competent authorities of the Member States shall be replaced by CBAM authority.

Amendment 222

Manuel Bompard

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

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, 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.

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 **the CBAM authority** responsible for the application of this Regulation.

Or. en

Amendment 223

András Gyürk, Ernő Schaller-Baross

Proposal for a regulation

Recital 38 a (new)

Text proposed by the Commission

Amendment

(38 a) The Commission should prepare a report at the latest before the end of the transitional period on the impact of CBAM on downstream sectors, in particular regarding the potential increase in costs of production and increase of cost of input materials and the ability of such sectors to pass any such increases to their customers. The Commission should propose measures to address any negative impact of CBAM on the competitiveness of the Union downstream sectors.

Or. en

Justification

We strongly support this amendment tabled by the Rapporteur in her draft report.

Amendment 224

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis

Proposal for a regulation

Recital 40

Text proposed by the Commission

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions.

Amendment

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions, ***upon proving that no circumvention methods were used in the production of the declared goods;***

Or. en

Amendment 225
Henna Virkkunen

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions.

Amendment

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions ***or where the declarant can show that the production has caused no emissions.***

Or. en

Justification

The regulation should motivate for implementing measures to both promote carbon pricing and valuing low carbon technologies.

Amendment 226
Manuel Bompard

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions.

Amendment

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the ***explicit*** carbon price already paid for those emissions in other jurisdictions.

Or. en

Amendment 227

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

Proposal for a regulation

Recital 42

Text proposed by the Commission

(42) The system should allow operators of production installations in third countries to register in a central database and to make their verified embedded GHG emissions from production of goods available to authorised declarants. An operator should ***be able to choose not to have*** its name, address and contact details in the central database made accessible to the public.

Amendment

(42) The system should allow operators of production installations in third countries to register in a central database and to make their verified embedded GHG emissions from production of goods available to authorised declarants. An operator should ***ensure transparency in the access of information, namely indicating*** its name, address and contact details in the central database made accessible to the public.

Or. en

Amendment 228

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis

Proposal for a regulation

Recital 42 a (new)

Text proposed by the Commission

Amendment

(42 a) If a registered producer declares

false GHG emissions or is involved in any practice of circumvention of CBAM rules, it shall be deleted from the central database of authorised declarants and be subject to penalties. Where deemed appropriate, the penalty shall also entail the withdrawal of import authorization in the EU market until true and verifiable emissions are declared;

Or. en

Amendment 229
Manuel Bompard

Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) *CBAM certificates differ from EU ETS allowances for which daily auctioning is an essential feature.* The need to set a clear price for CBAM certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis *would accurately reflect the pricing trend of EU ETS allowances and pursue the same climate objective. The calculation of the price of CBAM certificates should therefore be set on the basis of a longer timeframe (on a weekly basis) than in the timeframe established by the EU ETS (on a daily basis).* The Commission should be tasked to calculate and publish that average price.

Amendment

(43) The need to set a clear price for CBAM certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis *is the most reasonable option.* The Commission should be tasked to calculate and publish that average price.

Or. en

Amendment 230
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) CBAM certificates differ from EU ETS allowances for which daily auctioning is an essential feature. The need to set a clear price for CBAM certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis would accurately reflect the pricing trend of EU ETS allowances and pursue the same climate objective. The calculation of the price of CBAM certificates should therefore be set on the basis of a longer timeframe (on a weekly basis) than in the timeframe established by the EU ETS (on a daily basis). The Commission should be tasked to calculate and publish that average price.

Amendment

(43) CBAM certificates *for imports* differ from EU ETS allowances for which daily auctioning is an essential feature. The need to set a clear price for CBAM *import* certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis would accurately reflect the pricing trend of EU ETS allowances and pursue the same climate objective. The calculation of the price of CBAM *import* certificates should therefore be set on the basis of a longer timeframe (on a weekly basis) than in the timeframe established by the EU ETS (on a daily basis). The Commission should be tasked to calculate and publish that average price.

Or. en

Amendment 231
Manuel Bompard

Proposal for a regulation
Recital 44

Text proposed by the Commission

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations *and allow them to benefit from fluctuations in the price of EU ETS allowances*, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds

Amendment

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.

set at the end of each quarter.

Or. en

Amendment 232

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 44

Text proposed by the Commission

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.

Amendment

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM **import** certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.

Or. en

Amendment 233

Manuel Bompard

Proposal for a regulation

Recital 44

Text proposed by the Commission

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the **national** authority a portion of the

Amendment

(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the **CBAM** authority a portion of the

certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.

certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.

Or. en

Amendment 234

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 45

Text proposed by the Commission

(45) The physical characteristics of electricity as a product, in particular the impossibility to follow the actual flow of electrons, justifies a slightly different design for the CBAM. Default values should be used as a standard approach and it should be possible for authorised declarants to claim the calculation of their CBAM obligations based on actual emissions. Electricity trade is different from trade in other goods, notably because it is traded via interconnected electricity grids, using power exchanges and specific forms of trading. Market coupling is a densely regulated form of electricity trade which allows to aggregate bids and offers across the Union.

Amendment

(45) The physical characteristics of electricity as a product, in particular the impossibility to follow the actual flow of electrons, justifies a slightly different design for the CBAM. **But** default values should **not** be used as a standard approach and it should be possible for authorised declarants to claim the calculation of their CBAM obligations based on actual emissions. Electricity trade is different from trade in other goods, notably because it is traded via interconnected electricity grids, using power exchanges and specific forms of trading. Market coupling is a densely regulated form of electricity trade which allows to aggregate bids and offers across the Union.

Or. en

Justification

It is imperative that countries exporting to Europe provide credible information on actual CO2 emissions. When actual emissions cannot be adequately determined, the embedded emissions should be determined by reference to default values in accordance with the methods set out in Annex III, point 4.2.

Amendment 235

Henna Virkkunen

Proposal for a regulation
Recital 46

Text proposed by the Commission

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, ***it should be necessary to demonstrate a firm nomination of the allocated interconnection capacity and that there is a direct contractual relation between the purchaser and the producer of the renewable electricity, or between the purchaser and the producer of electricity having lower than default value emissions.*** .

Amendment

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, ***when the origin of imported electricity is guaranteed with guarantees of origin or similar method, the method shall be approved by the Authority responsible for CBAM and it shall be comparative to the methodology used in the European Union.***

Or. en

Justification

CBAM creates value for carbon free electricity in importing third countries irrespective of whether electricity with higher carbon content is used for other purposes in the respective third country.

Amendment 236

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Recital 46

Text proposed by the Commission

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, it should be necessary to

Amendment

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, it should be necessary to

demonstrate a firm nomination of the allocated interconnection capacity and that there is a direct contractual relation between the purchaser and the producer of the renewable electricity, or between the purchaser and the producer of electricity having lower than default value emissions.

demonstrate a firm nomination of the allocated interconnection capacity and that there is a direct contractual relation between the purchaser and the producer of the renewable **and low carbon** electricity, or between the purchaser and the producer of electricity having lower than default value emissions. .

Or. en

Amendment 237

Angelika Niebler, Christian Doleschal

Proposal for a regulation

Recital 46 a (new)

Text proposed by the Commission

Amendment

(46 a) To reduce the risk of carbon leakage as well as to ensure a level playing field for European industry, all practices of circumvention shall be prohibited. The Commission shall evaluate the risk of circumvention practices, especially the likelihood of modified trade patterns towards downstream products, as well as resource shuffling, cost absorption, manipulation of emissions data, wrongful labelling of goods and slight modifications of the product so as to import a product under a different customs code of all sectors included in Annex I of this Regulation. The Commission shall also evaluate whether countries of origin introduce a carbon price, and in this context also provide for reimbursement or compensation via indirect or direct measures such as the reduction of other taxes. The Commission shall be empowered to adopt delegated acts to strengthen anti-circumvention measures when appropriate.

Or. en

Justification

This amendment builds on Amendment 15 of EPP- shadow rapporteur Tomas Tobé. The case in which a country of origin introduces a carbon price and in this context also introduces a direct or indirect measure to reimburse or compensate for the carbon price should fall under circumvention measures. Therefore, this practice should also be included in the evaluation of the risk of circumvention practices.

Amendment 238

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation Recital 46 a (new)

Text proposed by the Commission

Amendment

(46 a) To reduce the risk of carbon leakage as well as to ensure a level playing field for European industry, all practices of circumvention shall be prohibited. The Commission shall evaluate the risk of circumvention practices, especially the likelihood of modified trade patterns towards downstream products, as well as resource shuffling, cost absorption, manipulation of emissions data, wrongful labelling of goods and slight modifications of the product so as to import a product under a different customs code of all sectors included in Annex I of this Regulation. The Commission shall be empowered to adopt delegated acts to strengthen anti-circumvention measures when appropriate.

Or. en

Amendment 239 Dominique Riquet

Proposal for a regulation Recital 46 a (new)

(46a) This Regulation should prevent circumvention based on practices such as the use of renewable energy sources specifically for exports to the EU, the processing of products included in the CBAM or transshipment strategies.

Or. fr

Amendment 240

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčić, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Recital 47

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar ***or equivalent*** to the EU ETS ***or in their participation in*** the EU ETS.

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar to the EU ETS ***should benefit from CBAM exemption with regard to the goods originating in those countries provided that certain conditions are satisfied.***

Those third countries should develop a roadmap and commit to implement an effective system of monitoring, reporting and verification of greenhouse gas emissions, a carbon pricing mechanism similar to the EU ETS, and should commit to achieving carbon neutrality. That exemption should be withdrawn if there are reasons to believe that the country in question does not fulfil its commitments.

The Union is committed to providing those third countries with financial support for the adoption of carbon pricing mechanisms similar to the EU ETS, the

deployment of decarbonisation technologies, and the implementation of other measures aimed at achieving climate neutrality.

⁴⁵ Council Decision 2006/500/EC of 29 May 2006 on the conclusion by the European Community of the Energy Community Treaty (OJ L 198, 20.7.2006, p. 15).

⁴⁵ Council Decision 2006/500/EC of 29 May 2006 on the conclusion by the European Community of the Energy Community Treaty (OJ L 198, 20.7.2006, p. 15).

Or. en

Amendment 241
Marek Paweł Balt

Proposal for a regulation
Recital 47

Text proposed by the Commission

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar *or equivalent* to the EU ETS *or in their participation in* the EU ETS.

Amendment

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar to the EU ETS, *should benefit from CBAM exemption with regard to the goods originating in those countries provided that certain conditions are satisfied. Those third countries should develop a roadmap and commit to implement an effective system of monitoring, reporting and verification of greenhouse gas emissions, a carbon pricing mechanism similar to the EU ETS, and should commit to achieving carbon neutrality. That exemption should be withdrawn if there are reasons to believe that the country in question does not fulfil its commitments. The Union is committed to providing those third countries with financial support for the adoption of carbon pricing mechanisms similar to the EU ETS, the deployment of*

decarbonisation technologies, and the implementation of other measures aimed at achieving climate neutrality.

⁴⁵ Council Decision 2006/500/EC of 29 May 2006 on the conclusion by the European Community of the Energy Community Treaty (OJ L 198, 20.7.2006, p. 15).

⁴⁵ Council Decision 2006/500/EC of 29 May 2006 on the conclusion by the European Community of the Energy Community Treaty (OJ L 198, 20.7.2006, p. 15).

Or. en

Amendment 242

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 48

Text proposed by the Commission

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/1222⁴⁶, enables third countries to better integrate electricity from renewable energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

Amendment

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/1222⁴⁶, enables third countries to better integrate electricity from renewable energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

Electricity produced in third countries' nuclear plants that do not meet the EU recognised nuclear safety levels and the standards of responsible and safe management of spent fuel and radioactive waste should be prevented from reaching

⁴⁶ Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

⁴⁶ Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

Or. en

Amendment 243

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation

Recital 48

Text proposed by the Commission

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/1222⁴⁶, enables third countries to better integrate electricity from renewable energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

⁴⁶ Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

Amendment

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/1222⁴⁶, enables third countries to better integrate electricity from renewable **and low carbon** energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

⁴⁶ Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

Amendment 244**Damien Carême**

on behalf of the Greens/EFA Group

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 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.

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, ***including the commitment to phase out coal-based electricity production by 2030 for OECD members at the latest, the adoption of effective administrative mechanisms to enforce implementation of the Union electricity market legislation, and the fulfilment of EU recognised nuclear safety levels, among others.*** 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.

Justification

The transitional period should be reduced to 2 years during which operators will be able to adjust to the new system, especially given the urgency of the climate crisis.

Amendment 245

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Bart Groothuis

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 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.

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 ***or it is importing electricity from high-emission third parties to circumvent the CBAM regulation.***

Or. en

Amendment 246
Manuel Bompard

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 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*.

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 *explicit* carbon pricing mechanism providing for an equivalent price *to the price paid by the EU's domestic producers*, 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. en

Amendment 247

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

Proposal for a regulation
Recital 49 a (new)

(49 a) This Regulation shall progressively enter into force in two steps. Between 2023 and 2025 an administrative transitional period where Articles set out in Article 36 (a) and (c) of this Regulation shall apply. Between 2026 and 2030 a comprehensive transitional period where all Articles set out in Article 36 of this Regulation shall apply. During this period free allocation should remain in place.

Or. en

Amendment 248

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

**Proposal for a regulation
Recital 50**

(50) A transitional period should apply during the period 2023 until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

(50) A transitional period should apply during the period 2023 until 2025 ***and shall be used for data collection and analysis of the impact of CBAM on the industries concerned, with particular focus of the potential impact of the phase-out of free allocations***. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en

Amendment 249
Manuel Bompard

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until **2025**. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) A transitional period should apply **for two years**, during the period **from 1 January 2023 until 31 December 2024**. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en

Amendment 250

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A transitional period **should apply during the period 2023 until 2025**. A **CBAM** without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) **An administrative** transitional period without financial adjustment should apply **during the period 2023 to 2025**, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade **and European industry**. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the **administrative** transitional period, detailing direct and indirect emissions as well as any carbon

price paid abroad.

Or. en

Amendment 251

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) A transitional period should apply during the period 2023 until 2025. ***Under the import provisions***, a CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en

Amendment 252

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until **2025**. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period,

Amendment

(50) A transitional period should apply during the period 2023 until **2024**. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period,

detailing direct and indirect emissions as well as any carbon price paid abroad.

detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en

Amendment 253
Dominique Riquet

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A ***transitional period*** should apply ***during the period 2023*** until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) A ***pilot phase*** should apply ***at least*** until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. fr

Amendment 254
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 50 a (new)

Text proposed by the Commission

Amendment

(50 a) Under the export provisions of the CBAM, the allowance adjustments for exports would be implemented as of the start of the phasing out of EU ETS allowances allocated free of charge. A transitional period of two years before the implementation of allowance adjustments for exports is needed to ensure a swift implementation of the mechanism. Particular attention should be paid to the

arrangements for the calculation of corresponding allowance adjustments, the operation of registries, the application of the monitoring and reporting guidelines and verification.

Or. en

Amendment 255

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

**Proposal for a regulation
Recital 50 a (new)**

Text proposed by the Commission

Amendment

(50 a) The transitional period should serve to evaluate the overall efficiency of the CBAM in preventing carbon leakage and achieving emission reduction targets, as well as to evaluate its WTO compatibility and its effectiveness in encouraging external trade partners to adopt more ambitious climate policies.

Or. en

Amendment 256

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

**Proposal for a regulation
Recital 50 a (new)**

Text proposed by the Commission

Amendment

(50 a) The full effectiveness of the CBAM in tackling the carbon leakage risk both on the EU market and on export markets should be assessed and positively verified through a strong monitoring of the impacts on EU businesses, with a view to modify the present legislation, if

necessary.

Or. en

Amendment 257

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

**Proposal for a regulation
Recital 50 a (new)**

Text proposed by the Commission

Amendment

(50 a) A comprehensive transitional period with financial adjustment should apply during the period 2026 to 2030, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disproportionate impacts on European industry.

Or. en

Amendment 258

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

**Proposal for a regulation
Recital 50 b (new)**

Text proposed by the Commission

Amendment

(50 b) A temporary Carbon Leakage Protection Reserve should be established between 2031 to 2035, linked to the reduction of free allocation. Each year, the free allocation no longer provided to the CBAM sectors, based on the free allocation phase-out calculation, should be placed into the temporary Carbon Leakage Reserve. To this purpose the Commission shall every year, from 2031

to 2035, present to the parliament and Council a report on the effectiveness of this Regulation in lowering carbon leakage. By 28 February, the following year the Commission shall report to the Parliament and the Council on the entry into force of CBAM and its effectiveness during the preceding year. If the assessment is positive, the allowances placed in the reserve should automatically be auctioned. If the assessment proves negative impact on lowering carbon leakage, the allowances placed in the reserve should automatically be returned to industry, to mitigate the risk of carbon leakage.

Or. en

Amendment 259

Adam Jarubas, Jerzy Buzek, Janusz Lewandowski

Proposal for a regulation

Recital 51

Text proposed by the Commission

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.

deleted

Or. en

Justification

In order to maintain proper and equal functioning of CBAM, the system shall be centralised. Therefore competent authorities of the Member States shall be replaced by CBAM authority.

Amendment 260

Manuel Bompard

Proposal for a regulation

Recital 51

Text proposed by the Commission

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.

deleted

Or. en

Amendment 261

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Recital 51

Text proposed by the Commission

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.

(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. ***Before the end of the transition period, the Commission should evaluate the governance system with a view to setting up a new European CBAM Authority that would coordinate the work of the competent authorities, help to centralise and exchange data and serve as a single point of contact for operators, authorised declarants and any other interested parties, with all the relevant information concerning the implementation of this Regulation.***

Or. en

Amendment 262

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Miapetra Kumpula-Natri, Romana Jerković, Dan Nica

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 ***ensure interoperability between the national and central databases. The Commission should also*** provide support to the competent authorities responsible for the application of this Regulation in carrying out their obligations. ***The Commission should assist enterprises, especially SMEs, in adapting to this Regulation and establish an expert group to share information and best practices with the competent authorities.***

Or. en

Amendment 263
Angelika Winzig

Proposal for a regulation
Recital 51 a (new)

Text proposed by the Commission

Amendment

(51 a) In case a competent authority for the purpose of carrying out duties lied down in this Regulation is established, the Commission should assess to what extend qualified human resources are already available before creating new posts.

Or. en

Amendment 264
Angelika Niebler, Christian Doleschal

Proposal for a regulation
Recital 52

(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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

(52) The Commission should evaluate the application of this Regulation before the end of the **administrative** transitional period and report to the European Parliament and the Council. **The Commission should, as part of that evaluation, assess the impact on sectors listed in Annex I to ensure that the complex production processes and deeply integrated value chains of specific sectors listed in Annex I have been appropriately taken into account. Furthermore,** 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, initiate collection of information necessary to possibly extend the scope **of Annex I** to indirect emissions, as well as to other goods and services at risk of carbon leakage, **such as finished goods**, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷. **The Commission should in particular focus on:**

(a) the impact on competitiveness of European industry and downstream industry, impact on SMEs, possible disproportionate administrative burden, the impact of applying the Regulation on specific sectors with complex and deeply integrated value chains, possible circumvention practices, distortion in trade patterns and possibilities to enhance climate actions towards a climate neutral Union by 2050. Accompanied by proposals to avoid negative impact on such sectors;

(b) a proposal to avoid possible carbon leakage in export markets;

(c) a proposal to extend the scope of this Regulation to finished goods containing goods listed in Annex I; to ensure competitiveness of European

manufacturing industry and prevent carbon leakage;

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Justification

This amendment builds on Amendment 21 of EPP- shadow rapporteur Tomas Tobé. The Commission should also evaluate in its reports the impact of the Regulation on specific sectors listed in Annex I which are characterized by complex production processes and deeply integrated value chains such as the chemical industry.

Amendment 265

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

Amendment

(52) The Commission should evaluate the application of this Regulation before the end of the ***administrative*** 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, initiate collection of information necessary to possibly extend the scope ***of Annex I*** to indirect emissions, as well as to other goods and services at risk of carbon leakage, ***such as finished goods***, and to develop methods of calculating embedded emissions based on the environmental footprint methods. ***The***

Commission should in particular focus on:

(a) the impact on competitiveness of European industry and downstream industry, impact on SMEs, possible disproportionate administrative burden, possible circumvention practices, distortion in trade patterns and possibilities to enhance climate actions towards a climate neutral Union by 2050. Accompanied by proposals to avoid negative impact on such sectors;

(b) a proposal to avoid possible carbon leakage in export markets;

(c) a proposal to extend the scope of this Regulation to finished goods containing goods listed in Annex I; to ensure competitiveness of European manufacturing industry and prevent carbon leakage;

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 266

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

2050 and possibilities to improve carbon leakage measures to ensure a level playing field between the EU and third countries. . The Commission ***shall***, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, ***including downstream products using goods covered by the CBAM***, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷. ***With regard to indirect emissions, the evaluation shall take into account the mismatch between indirect carbon costs and indirect carbon emissions and that EU producers are exposed to carbon costs passed on in electricity prices due to the functioning of the EU energy market (indirect carbon costs).***

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 267

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Bart Groothuis, Andreas Glück, Nicola Beer

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

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 ***assessing the risk of EU exports on global markets***

objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

being replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. The Commission report shall be accompanied by a legislative proposal to develop WTO-compatible solutions such as export adjustments mechanisms to avoid carbon leakage on European exports, while preserving emission reduction targets.

*The report should also include possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information **and evidence-based impact assessments** necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.*

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 268 **Marek Paweł Balt**

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

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

The assessment of the inclusion of indirect emissions in the CBAM needs to take into account that EU producers are also exposed to indirect carbon costs passed on in electricity prices, which depend on the functioning of the electricity market instead of the actual carbon content of the consumed electricity.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Justification

The assessment of the inclusion of indirect emissions in the CBAM needs to take into account that EU producers are also exposed to indirect carbon costs passed on in electricity prices, which depend on the functioning of the electricity market instead of the actual carbon content of the consumed electricity.

Amendment 269

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Nicolás González Casares

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

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

to the European Parliament and the Council. The report of the Commission should in particular focus on ***the impact on competitiveness of EU downstream industry and its synchronisation with the technological perspectives and maturities, concerning namely the new clean energy alternatives such as the availability of cost-competitive green hydrogen. The report should also evaluate the*** possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 270

Angelika Winzig, Othmar Karas

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

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

that evaluation, initiate collection of information necessary to ***prevent distortion of competition in the EU and in global markets and*** possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.
With regard to indirect emissions, the evaluation shall take into account the exposure of EU producers to carbon costs passed on in electricity prices due to the functioning of the EU energy market.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 271

Patrizia Toia, Robert Hajšel

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on

Amendment

(52) The Commission should evaluate the application of this Regulation ***two years*** before the ***start of removal of free allowances in the ETS*** and report to the European Parliament and the Council. The report of the Commission should in particular focus ***on the impact on competitiveness of the EU downstream industry and*** on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, ***sectors and***

the environmental footprint methods⁴⁷ .

goods other than those listed in Annex I, such as downstream products using or containing goods listed in Annex I, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷ .

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 272 Manuel Bompard

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, initiate collection of information necessary to *possibly* extend the scope to indirect emissions, as well as to other goods and services *at risk of* carbon *leakage*, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷ .

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, initiate collection of information necessary to extend the scope *to methane emissions*, to indirect emissions, as well as to other *energy intensive* goods and services *that are imported into the Union, to introduce generalized carbon content requirements for imported products for distribution, consumption or use on the EU market* and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷ .

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. en

Amendment 273 **Dominique Riquet**

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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Amendment

(52) The Commission should evaluate the application of this Regulation before the end of the *pilot phase* 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, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Or. fr

Amendment 274
Angelika Niebler, Christian Doleschal

Proposal for a regulation
Recital 52 a (new)

Text proposed by the Commission

Amendment

(52 a) During the comprehensive transitional period, biannual between 2025-2030 and every year thereafter until 2035, the Commission shall evaluate the application of this Regulation and report to the European parliament and the Council. The Commission should in particular focus on:

(a) the impact on European industry and downstream industry of sectors listed in Annex I, in particular taking into account the complex and deeply integrated value chains of specific sectors listed in Annex I such as the chemical industry, and possible additional administrative burden;

(b) the effectiveness of this Regulation in reducing carbon leakage and possible circumvention practices; and

(c) the impact of CBAM on Union trade of goods listed in Annex I and possible distortion in trade patterns;

Or. en

Justification

This amendment is based on Amendment 22 of EPP- shadow rapporteur Tomas Tobe. The Commission should also evaluate in its reports the impact of the Regulation on specific sectors listed in Annex I which are characterized by complex production processes and deeply integrated value chains such as the chemical industry.

Amendment 275
Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, Othmar Karas

Proposal for a regulation
Recital 52 a (new)

(52 a) During the comprehensive transitional period, biannual between 2025-2030 and every year thereafter until 2035, the Commission shall evaluate the application of this Regulation and report to the European parliament and the Council. The Commission should in particular focus on:

(a) the impact on European industry and downstream industry of sectors listed in Annex I, and possible additional administrative burden;

(b) the effectiveness of this Regulation in reducing carbon leakage and possible circumvention practices; and

(c) the impact of CBAM on Union trade of goods listed in Annex I and possible distortion in trade patterns;

Or. en

Amendment 276

Klemen Grošelj, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

**Proposal for a regulation
Recital 52 a (new)**

(52 a) If after the transitional period, the evidence collected by the Commission indicates that the potential costs of the CBAM outweigh its benefits and the CBAM cannot effectively protect European industries falling within its scope against carbon leakage, a further phase-in of the CBAM and phase-out of free allowances should be paused until an effective solution is found.

Or. en

Amendment 277
Angelika Winzig

Proposal for a regulation
Recital 52 a (new)

Text proposed by the Commission

Amendment

(52 a) Agriculture is a sector of strategic importance in terms of food security and food autonomy. Accordingly, the impact of the inclusion of fertilizers in the CBAM on European agriculture, food security and food autonomy must be reviewed before the CBAM including the financial adjustment for fertilizers should apply.

Or. en

Amendment 278

Carlos Zorrinho, Robert Hajšel, Csaba Molnár, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Nicolás González Casares

Proposal for a regulation
Recital 52 a (new)

Text proposed by the Commission

Amendment

(52 a) At the end of the first year after the transition period of this Regulation, the Commission should present a report, with the possibility of being accompanied by a legislative proposal, and in accordance with WTO rules, to ensure the competitiveness of the products that are exported outside the EU.

Or. en

Amendment 279

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo

Vera, Othmar Karas

**Proposal for a regulation
Recital 52 b (new)**

Text proposed by the Commission

Amendment

(52 b) In case the CBAM is proven not to be efficient in lowering carbon leakage, creates disproportionate disadvantages for European industry or severe shortcomings appear in the implementation of this Regulation during the comprehensive transitional period, the Commission shall present a new or revised legislative proposal aiming at lowering carbon leakage in order for the Union to reach its goal of climate neutrality 2050.

Or. en

Amendment 280

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, Othmar Karas

**Proposal for a regulation
Recital 52 c (new)**

Text proposed by the Commission

Amendment

(52 c) If the CBAM is challenged by WTO and as an effect not implemented, the Commission shall present a revised legislative proposal aiming at lowering carbon leakage.

Or. en

**Amendment 281
Manuel Bompard**

**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, a dialogue with third countries should continue and there should be space for cooperation ***with a view to establishing a new international economic order based on the principles of equity, sovereign equality, interdependence, common interest, cooperation and solidarity among all states.***

Or. en

Amendment 282

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, Othmar Karas

**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, 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 ***periods.***

Or. en

**Amendment 283
Dominique Riquet**

**Proposal for a regulation
Recital 53**

Text proposed by the Commission

(53) In light of the above, a dialogue

Amendment

(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*.

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 *pilot phase*.

Or. fr

Amendment 284
Manuel Bompard

Proposal for a regulation
Recital 53 a (new)

Text proposed by the Commission

Amendment

(53 a) The Commission should engage with all stakeholders of the sectors covered by this Regulation, including trade unions, civil society and industry representatives.

Or. en

Amendment 285
Angelika Winzig

Proposal for a regulation
Recital 54

Text proposed by the Commission

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

(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.

carbon pricing mechanism, ***provided that they deliver equivalent GHG emissions reductions and carbon costs constraints.***

Or. en

Amendment 286

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, Othmar Karas

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, ***provided that they deliver equivalent GHG emissions reductions and carbon costs constraints.***

Or. en

Amendment 287

Manuel Bompard

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

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 in this Regulation and related implementing acts. *It should also explore possibilities for concluding agreements to take into account their carbon pricing mechanism.*

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 *in* this Regulation and related implementing acts, *as well as alternative approaches aimed at addressing the objectives of this Regulation, including common product carbon requirements.*

Or. en

Amendment 288 **Manuel Bompard**

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) *Given the different roles played in global environmental degradation, and in line with the principle of common but differentiated responsibility for protecting the environment and promoting sustainable development*, the EU *has a duty to cooperate* with low and middle-income countries *to help them implement green industrial policies*. Moreover, the Union should support less developed countries *in accessing the best techniques available* in order to facilitate their adaptation to the new obligations established by this regulation.

Or. en

Amendment 289 **Carlos Zorrinho, Robert Hajšel, Josianne Cutajar, Jens Geier, Romana Jerković**

Proposal for a regulation **Recital 55 a (new)**

Text proposed by the Commission

Amendment

(55 a) To support least developed countries' efforts towards the decarbonisation of their manufacturing industries, financial support should be provided, including through reinforcing climate spending in the Union budget's Instrument for Pre-Accession Assistance III established by Regulation (EU) 2021/1529 of the European Parliament and of the Council and the relevant geographic and thematic programmes of the Neighbourhood, Development and International Cooperation Instrument established by Regulation (EU) 2021/947 of the European Parliament and of the Council.

Or. en

Amendment 290
Manuel Bompard

Proposal for a regulation
Recital 55 a (new)

Text proposed by the Commission

Amendment

(55 a) To support low and middle-income countries' decarbonisation, the Commission will need to implement policies to accompany the CBAM that can reduce, and eventually eliminate, the gaps between developed and developing countries, including by using part of the revenues generated by the CBAM to speed up the dissemination and adoption of cleaner production technologies and to tighten up climate change adaptation policies and planning.

Or. en

Amendment 291

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

Proposal for a regulation

Recital 55 a (new)

Text proposed by the Commission

Amendment

(55 a) The Commission shall regularly inform the European Parliament on its progress in dialogue with third countries and on any possible negative impacts of the CBAM on the industries affected by this Regulation.

Or. en

Amendment 292

Carlos Zorrinho, Robert Hajšel, Csaba Molnár, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Jens Geier, Nicolás González Casares

Proposal for a regulation

Recital 55 b (new)

Text proposed by the Commission

Amendment

(55 b) The implementation of CBAM will be key for achieving the climate targets of the Paris Agreement. In this context the Green Climate Fund (GCF) will also contribute to support developing countries raise and realize their Nationally Determined Contributions (NDC) ambitions towards low-emissions, climate-resilient pathways.

Or. en

Amendment 293

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Recital 58

Text proposed by the Commission

(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.

Amendment

(58) ***In order for CBAM to be efficient in lowering carbon leakage, all possible circumvention practices should be addressed by this Regulation.*** 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.

Or. en

Amendment 294
Angelika Winzig

Proposal for a regulation
Recital 58

Text proposed by the Commission

(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.***

Amendment

(58) In order to remedy circumvention of the provisions of this Regulation, the Commission ***should put forward a legislative proposal 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.***

Or. en

Amendment 295
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Recital 59

Text proposed by the Commission

(59) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016⁵¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁵¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

Amendment

(59) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert **and industry** level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016⁵¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

⁵¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1).

Or. en

Amendment 296

Bart Groothuis, Klemen Grošelj

Proposal for a regulation

Recital 61 a (new)

Text proposed by the Commission

Amendment

(61 a) It is crucial that a level playing field in internationally operating sectors such as aviation and the maritime industry is ensured. For aviation, this concerns routes with a high share of connecting passengers to destinations outside the EEA. For the maritime sector, ship hulls and other shipbuilding equipment built outside the Union are sensitive to a potential competitive disadvantage. Both sector's specificities

will need to be considered. Therefore, the Commission should explore mechanisms to mitigate potential competitive distortion between feeder flights from EU and non-EU hubs as well as between EU and third country shipbuilding players.

Or. en

Amendment 297
Angelika Winzig

Proposal for a regulation
Recital 61 a (new)

Text proposed by the Commission

Amendment

(61 a) The revenues generated by the arrangements set out in this Regulation should be used as additional own resource of the EU in accordance with the interinstitutional agreement 32020Q1222(01) from 16th December 2020.

Or. en

Amendment 298
Damien Carême
on behalf of the Greens/EFA Group

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission

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 prevent the risk of carbon leakage.

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 the risk of carbon leakage ***and incentivise the reduction of GHG emissions in sectors covered by this regulation within the Union and in third***

countries. CBAM shall contribute to delivering on the European Green Deal and European Climate Law.

Or. en

Justification

Beyond preventing the risk of carbon leakage, as an alternative to free allowances and indirect costs compensation, the EU CBAM can strengthen the carbon price signal and business case for low-carbon solutions for covered sectors.

Amendment 299
Manuel Bompard

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 ***the*** risk of 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 ***progressively reduce the Union's imported emissions, reduce its overall carbon footprint,*** prevent ***any*** risk of carbon leakage ***and incentivize emissions reductions in sectors covered by this Regulation in third countries and within the Union.***

Or. en

Amendment 300
Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation establishes a

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 prevent the risk of carbon leakage.

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 the risk of carbon leakage *and encourage external trade partners to pursue more ambitious climate goals on a global scale and not only in bilateral trade with the EU.*

Or. en

Amendment 301

Carlos Zorrinho, Robert Hajšel, Patrizia Toia, Csaba Molnár, Josianne Cutajar, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković, Lina Gálvez Muñoz, Adriana Maldonado López, Dan Nica, Nicolás González Casares

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 the risk of 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 *ensure a level playing field to preserve the competitiveness of EU industries, and thus to* prevent the risk of carbon leakage.

Or. en

Amendment 302

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, Othmar Karas

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 the risk of 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 prevent the risk of carbon leakage ***from the EU and contribute to the reduction of global carbon emissions.***

Or. en

Amendment 303
Angelika Winzig

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 ***the risk of*** 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 prevent carbon leakage ***from the EU and contribute to the reduction of global carbon emissions.***

Or. en

Amendment 304
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

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

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 prevent the risk of carbon leakage.

emissions embedded in the goods referred to in Annex I, upon their importation into ***or exportation from*** the customs territory of the Union, in order to prevent the risk of carbon leakage.

Or. en

Amendment 305
Manuel Bompard

Proposal for a regulation
Article 1 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. This Regulation sets out a target for reducing greenhouse gas emissions embedded in the Union's importations for 2050, including sub-targets for each sector covered by this Regulation.

Or. en

Amendment 306
Manuel Bompard

Proposal for a regulation
Article 1 – paragraph 2

Text proposed by the Commission

Amendment

2. The CBAM complements the ***system*** established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

2. The CBAM complements the ***Union's regulatory framework for achieving its goal of reducing greenhouse gases by 2030 and its goal of climate neutrality in every economic sector by 2050 at the latest by applying, initially, a set of rules equivalent to those*** established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

Amendment 307

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 2

Text proposed by the Commission

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

Amendment

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by applying an equivalent set of rules to imports into ***or export from*** the customs territory of the Union of goods referred to in Article 2.

Or. en

Amendment 308

Dominique Riquet

Proposal for a regulation

Article premier – paragraph 3

Text proposed by the Commission

3. ***The mechanism will progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.***

Amendment

deleted

Or. fr

Amendment 309

Klemen Grošelj, Mauri Pekkarinen, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism **will** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism **shall, after a thorough analysis and simulation of its impact on carbon intensive industries and on their entire supply chains,** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive. **The gradual replacement shall be accompanied by a close monitoring of the effects on the competitiveness of the affected European industries, on the resulting carbon leakage and on emission reduction.**

Or. en

Amendment 310
Marek Paweł Balt

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism **will** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism **should** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive, **if it has proven to be effective to prevent the risk of carbon leakage both for imports into or exports from the customs territory of the Union, and without prejudice to maintaining EU ETS allowances free of charge at benchmark level until a test period with actual surrendering obligation has proven such effectiveness.**

Justification

CBAM needs to strengthen carbon leakage protection and thereafter replace progressively existing carbon leakage measures, provided its effectiveness is proven with actual payment by importers in a test period. The current transitional period proposed by the Commission (2023-2025) is insufficient to assess its effectiveness, because in that period importers will neither have to pay the CBAM levy nor will other key provisions of the legal framework be in place (e.g. data provided by importers in 2023-2025 will not be verified etc).

Amendment 311

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism **will** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism ***should, if effective,*** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive, ***without prejudice to the maintenance of EU ETS allowances allocated free of charge until 2030 and only provided that the CBAM has proven to be effective to prevent the risk of carbon leakage both for imports into or exports from the customs territory of the Union.***

Amendment 312

François-Xavier Bellamy

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism **will** progressively become an alternative to the mechanisms

Amendment

3. The mechanism ***should*** progressively become an alternative to the

established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive, ***if it has proven to be effective to prevent the risk of carbon leakage both for imports into or exports from the customs territory of the Union, maintaining EU ETS free allowances until it has proven such effectiveness.***

Or. en

Amendment 313

Jens Geier

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism ***will*** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism ***should*** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive, ***if it has proven to be effective to prevent the risk of carbon leakage both for imports into or exports from the customs territory of the Union.***

Or. en

Amendment 314

András Gyürk, Ernő Schaller-Baross

Proposal for a regulation

Article 1 – paragraph 3

Proposal for a regulation

Article 1 paragraph 3

Text proposed by the Commission

3. The ***mechanism will progressively become an alternative to*** the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, ***notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.***

Amendment

3. The ***CBAM can complement*** the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage.

Or. en

Justification

We support this amendment tabled by the Rapporteur in her draft report.

Amendment 315

Patrizia Toia, Robert Hajšel, Dan Nica

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism will progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism will ***complement and*** progressively become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive, ***once it has proven to be effective against carbon leakage.***

Or. en

Amendment 316

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism ***will progressively become*** an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism ***is*** an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge ***and compensation of indirect emission costs*** in accordance with Article 10a ***and Article 10a (6)*** of that Directive.

Or. en

Justification

CBAM should be identified clearly as an alternative to current carbon leakage protection measures. Otherwise, it is not compatible with WTO rules. The inclusion of reference to indirect emissions would also better reflect the carbon cost borne by European industry, where the power sector is covered under the EU ETS and is required to purchase all its emission allowances at auctions.

Amendment 317
Manuel Bompard

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism ***will progressively become*** an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism ***is*** an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge ***and compensation of indirect emission costs*** in accordance with Article 10a of that Directive.

Or. en

Amendment 318

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skyttedal, Angelika Niebler, Maria Spyraiki, Massimiliano Salini, Pilar del Castillo Vera, François-Xavier Bellamy, Othmar Karas

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism will ***progressively*** become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism will ***intends to complement and gradually*** become an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Or. en

Amendment 319
Angelika Winzig

Proposal for a regulation
Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism will ***progressively become an alternative to*** the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. ***The main purpose of*** the mechanism will ***be to complement*** the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Or. en

Amendment 320
Damien Carême
on behalf of the Greens/EFA Group

Proposal for a regulation
Article 1 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. The compatibility of CBAM with WTO rules shall be ensured by abolishing

*free allowances for EU ETS sector,
including for the exported products.*

.

Or. en

Justification

Export rebates are deemed incompatible with the WTO rules as that could constitute export subsidies. A CBAM must not lead to double protection for EU industry nor prolong the free allocation regime. It should therefore replace the current carbon leakage protection measures applying to the covered industrial sectors.

Amendment 321

Tomas Tobé, Christian Ehler, Eva Maydell, Pernille Weiss, Cristian-Silviu Buşoi, Ioan-Rareş Bogdan, Franc Bogovič, Vasile Blaga, Jerzy Buzek, Henna Virkkunen, Adam Jarubas, Seán Kelly, Sara Skytvedal, Angelika Niebler, Maria Spyraiki, Pilar del Castillo Vera, Othmar Karas

Proposal for a regulation

Article 1 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

**3a. The CBAM shall be compatible
with WTO rules.**

Or. en

Amendment 322

Angelika Winzig

Proposal for a regulation

Article 2 – paragraph 1

Text proposed by the Commission

Amendment

1. This Regulation applies to goods as listed in Annex I, originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁵³, are imported into the customs territory of the

1. This Regulation applies to goods as listed in Annex I, originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁵³, are imported into the customs territory of the

Union.

Union *and when those goods, or products processed from those goods are exported to third countries at a later date.*

⁵³ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

⁵³ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

Or. en

Amendment 323

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Bart Groothuis

Proposal for a regulation

Article 2 – paragraph 1

Text proposed by the Commission

1. This Regulation applies to goods as listed in Annex I, originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁵³, are imported into the customs territory of the Union.

⁵³ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

Amendment

1. This Regulation applies to goods as listed in *the extended Annex I including other carbon intensive industries such as hydrogen and plastics* originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council⁵³, are imported into the customs territory of the Union.

⁵³ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (OJ L 269, 10.10.2013, p. 1).

Or. en

Amendment 324

Angelika Winzig

Proposal for a regulation
Article 2 – paragraph 2

Text proposed by the Commission

2. This Regulation applies to the goods referred to in paragraph 1 where those goods are brought to the continental shelf or the exclusive economic zone of a Member State.

Amendment

2. This Regulation applies to the goods referred to in paragraph 1 where those goods, ***or products processed from those good in case of export to third countries***, are brought to, ***or leave*** the continental shelf or the exclusive economic zone of a Member State.

Or. en

Amendment 325

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Article 2 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. This Regulation also applies to goods listed in Annex I when those goods are produced in EU installations subject to the EU ETS and exported from the Customs territory of the European Union to third countries which have not yet limited or priced GHG emissions at the same levels as the EU.

Or. en

Amendment 326

Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Article 2 – paragraph 3

Text proposed by the Commission

Amendment

3. By way of derogation from paragraphs 1 ***and 2***, this Regulation does not apply to goods originating in countries and territories listed in Annex II, Section

3. By way of derogation from paragraphs 1, ***2 and 2a***, this Regulation does not apply to goods originating in ***or exported to*** countries and territories listed

A.

in Annex II, Section A.

Or. en

Amendment 327
Manuel Bompard

Proposal for a regulation
Article 2 – paragraph 5 – point a

Text proposed by the Commission

(a) the EU ETS established pursuant to Directive 2003/87/EC applies to that country or territory or an agreement has been concluded between that third country or territory and the Union ***fully linking*** the EU ETS ***and the third country or territory emission trading system***;

Amendment

(a) the EU ETS established pursuant to Directive 2003/87/EC applies to that country or territory or an agreement has been concluded between that third country or territory and the Union ***that provides a carbon pricing mechanism similar or equivalent to*** the EU ETS;

Or. en

Amendment 328
Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli

Proposal for a regulation
Article 2 – paragraph 5 – point b a (new)

Text proposed by the Commission

Amendment

(b a) c) the regulatory obligation and the net regulatory burden imposed in the country where the goods are originating in are equivalent to those imposed under the EU ETS.

Or. en

Amendment 329
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Article 2 – paragraph 5 a (new)

Text proposed by the Commission

Amendment

5a. the regulatory obligation and the net regulatory burden imposed in the country where the goods are originating in are equivalent to those imposed under the EU ETS.

Or. en

Amendment 330
Manuel Bompard

Proposal for a regulation
Article 2 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission is empowered to adopt **implementing acts** in order to **determine** the conditions for applying the CBAM to goods referred **to** in paragraph 2. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).**

6. The Commission is empowered to adopt **delegated acts in accordance with Article 28** in order to **supplement this Regulation by setting out** the conditions for applying the CBAM to goods referred in paragraph 2.

Or. en

Amendment 331
Elena Lizzi, Isabella Tovaglieri, Danilo Oscar Lancini, Paolo Borchia, Gianna Gancia

Proposal for a regulation
Article 2 – paragraph 6

Text proposed by the Commission

Amendment

6. The Commission is empowered to adopt implementing acts in order to determine the conditions for applying the CBAM to goods referred to in paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

6. The Commission is empowered to adopt implementing acts in order to determine the conditions for applying the CBAM to goods referred to in paragraph 2 **and 2a**. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Amendment 332

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point a

Text proposed by the Commission

(a) the third country or territory has concluded an agreement with the Union, setting out an obligation to apply the Union law in the field of electricity, including the legislation on the development of renewable energy sources, as well as other rules in the field of energy, environment and competition;

Amendment

(a) the third country or territory has concluded an agreement with the Union, setting out an obligation to apply the Union law in the field of electricity, including the legislation on the ***energy efficiency policies and*** development of renewable energy sources, as well as other rules in the field of energy, environment, ***notably on large combustion plants and/or industrial emission as well as water management*** and competition;

Or. en

Amendment 333

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point b

Text proposed by the Commission

(b) the national law in that third country or territory implements the main provisions of the Union electricity market legislation, including on the development of renewable energy sources and the coupling of electricity markets;

Amendment

(b) the national law in that third country or territory implements the main provisions of the Union electricity market legislation, including on ***energy efficiency policies***, the development of renewable energy sources and the coupling of electricity markets;

Or. en

Amendment 334

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point b a (new)

Text proposed by the Commission

Amendment

(b a) the third country or territory has in place and applies rules on effective legal and administrative enforcement of the implementation of the Union electricity market legislation;

Or. en

Amendment 335

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point c

Text proposed by the Commission

Amendment

(c) the third country or territory has submitted a roadmap to the Commission, containing a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

(c) the third country or territory has submitted a roadmap to the Commission, containing a timetable ***with the specific milestones*** for the adoption of measures to implement the conditions set out in points (d), ***d (a), d(b)*** and (e);

Or. en

Amendment 336

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Nils Torvalds, Bart Groothuis, Andreas Glück, Nicola Beer

Proposal for a regulation

Article 2 – paragraph 7 – point c

Text proposed by the Commission

Amendment

(c) the third country or territory has submitted a roadmap to the Commission,

(c) the third country or territory has submitted a ***public and verifiable*** roadmap

containing a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

to the Commission, containing a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

Or. en

Amendment 337

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Mauri Pekkarinen, Nicola Danti, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli, Andreas Glück, Nicola Beer

Proposal for a regulation

Article 2 – paragraph 7 – point d

Text proposed by the Commission

(d) the third country or territory has committed to climate neutrality by 2050 and has accordingly formally formulated and communicated, where applicable, to the United Nations Framework Convention on Climate Change a mid-century, long-term low greenhouse gas emissions development strategy aligned with that objective, and has implemented that obligation in its domestic legislation;

Amendment

(d) the third country or territory has committed to climate neutrality by 2050 and has accordingly formally formulated and communicated, where applicable, to the United Nations Framework Convention on Climate Change a mid-century, long-term low greenhouse gas emissions development strategy aligned with that objective, and has ***credibly and effectively*** implemented that obligation in its domestic legislation;

Or. en

Amendment 338

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point d a (new)

Text proposed by the Commission

Amendment

(d a) the third country or territory has committed to phase out coal-based electricity production which would be by 2030 for OECD members at the latest;

Or. en

Amendment 339

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point d b (new)

Text proposed by the Commission

Amendment

(d b) the third country or territory fulfils EU recognised nuclear safety levels and apply the requirements of Council directive 2009/71/EURATOM establishing a Community framework for the nuclear safety of nuclear installations (including Council directive 2014/87/EURATOM amending Directive 2009/71/Euratom); and Council directive 2011/70/EURATOM establishing a Community framework for the responsible and safe management of spent fuel and radioactive waste;

Or. en

Justification

The European Council of 11 December 2020 underlines “the importance of ensuring nuclear safety of the Belarusian nuclear power plant Ostrovets and invites the Commission to investigate possible measures preventing commercial electricity imports from third countries’ nuclear facilities that do not fulfil EU recognised safety levels”. With these conditions we make sure that 3rd countries’ nuclear facilities that do not fulfil EU nuclear safety standards are prevented from entering EU’s electricity market.

Amendment 340

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 7 – point f

Text proposed by the Commission

Amendment

(f) the third country or territory has put in place **an** effective systems to prevent indirect import of electricity in the Union

(f) the third country or territory has put in place **and applies robust and** effective systems to prevent indirect import of

from other third countries not meeting the requirements set out in points (a) to (e).

electricity in the Union from other third countries not meeting the requirements set out in points (a) to (e).

Or. en

Amendment 341

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis, Iskra Mihaylova, Ilhan Kyuchyuk, Atidzhe Alieva-Veli

Proposal for a regulation

Article 2 – paragraph 9 – point a

Text proposed by the Commission

(a) if the Commission has reasons to consider that the country or territory has not ***shown*** sufficient progress to comply with one of the requirements listed in paragraph 7, points (a) to (f), or if the country or territory has taken action incompatible with the objectives set out in the Union climate and environmental legislation;

Amendment

(a) if the Commission has reasons to consider that the country or territory has not ***proved*** sufficient progress to comply with one of the requirements listed in paragraph 7, points (a) to (f), or if the country or territory has taken ***any kind of*** action incompatible with the objectives set out in the Union climate and environmental legislation;

Or. en

Amendment 342

Damien Carême

on behalf of the Greens/EFA Group

Proposal for a regulation

Article 2 – paragraph 9 – point b

Text proposed by the Commission

(b) if the third country or territory has taken steps contrary to its decarbonisation objectives, such as providing public support for ***the establishment of new*** generation capacity ***that emits more than 550 g of CO₂ of fossil fuel origin per kWh of electricity.***

Amendment

(b) if the third country or territory has taken steps contrary to its decarbonisation objectives, such as providing ***direct and indirect*** public support for generation capacity of fossil fuel origin;

Or. en

Amendment 343

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11

Text proposed by the Commission

Amendment

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied. *deleted*

Or. en

Amendment 344

Marek Paweł Balt

Proposal for a regulation

Article 2 – paragraph 11

Text proposed by the Commission

Amendment

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied. *deleted*

Or. en

Justification

The list in Annex II should be possible to change only by amending the CBAM regulation. According to the provisions of the Treaty (Article 290 TFEU) delegated acts may not amend essential elements of a given field as they are reserved to a legislative acts.

Amendment 345

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation
Article 2 – paragraph 11

Text proposed by the Commission

11. *The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.*

Amendment

11. *If a third country is committed to decarbonisation processes that should result in the adoption of emission trading system similar to the EU ETS, the importation of goods originating in that country shall be exempt from the application of the CBAM, provided all of the following conditions are satisfied:*

Or. en

Amendment 346

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčíč, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation
Article 2 – paragraph 11

Text proposed by the Commission

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Amendment

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Or. en

Amendment 347

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčíč, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation
Article 2 – paragraph 11

Text proposed by the Commission

11. The Commission is empowered to adopt delegated acts in accordance with

Amendment

11. The Commission is empowered to adopt delegated acts in accordance with

Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Or. en

Amendment 348

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčíč, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11

Text proposed by the Commission

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Amendment

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

Or. en

Amendment 349

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčíč, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 a (new)

Text proposed by the Commission

Amendment

11a. (a) the third country is a party to the Treaty establishing the Energy Community and/or a party to Association Agreement, including a Deep and Comprehensive Free Trade Area with the Union;

Or. en

Amendment 350

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 b (new)

Text proposed by the Commission

Amendment

11b. the third country has put in place an effective system of monitoring, reporting and verification of greenhouse gas emissions;

Or. en

Amendment 351

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 c (new)

Text proposed by the Commission

Amendment

11c. the third country has submitted a roadmap to the Commission, containing a timetable for the adoption of measures to implement the conditions set out in points (d), (e), and (f);

Or. en

Amendment 352

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 d (new)

Text proposed by the Commission

Amendment

11d. third country is committed to adopt an emission trading system similar to the EU ETS;

Amendment 353

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 e (new)

Text proposed by the Commission

Amendment

11e. the third country has committed to climate neutrality and has accordingly formally formulated and communicated, where applicable, to the United Nations Framework Convention on Climate Change a long-term low greenhouse gas emissions development strategy aligned with that objective, and has implemented that obligation in its domestic legislation;

Or. en

Amendment 354

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 11 f (new)

Text proposed by the Commission

Amendment

11f. the third country has, when implementing the roadmap pursuant to point (c), demonstrated substantial progress towards the alignment of domestic legislation with Union law in the field of climate action on the basis of that roadmap. The implementation of an emission trading system by 1 January 2030 is conditional upon third country's receipt of the financial, institutional, and expert support from the Union.

Or. en

Amendment 355

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation Article 2 – paragraph 12

Text proposed by the Commission

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.*

Amendment

12. *A third country satisfying the conditions set out in paragraph 11, points (a) to (f), shall be listed in Annex II, Section C, of this Regulation, and shall submit two reports on the fulfilment of the conditions pursuant to paragraph 7, points (a) to (f), one before 1 July 2025 and another before 1 July 2029. By 31 December 2025 and by 31 December 2029, the Commission shall assess, notably on the basis of the roadmap pursuant to paragraph 11, point (c), and the reports received from the third country, whether that third country continues to respect the conditions set out in paragraph 11.*

Or. en

Amendment 356

Angelika Winzig, Othmar Karas

Proposal for a regulation Article 2 – paragraph 12

Text proposed by the Commission

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.

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. *These agreements shall not lead to undue preferential treatment of imports from third countries as regards the CBAM certificates to be surrendered and they must not take into account any carbon pricing mechanisms that are considered to be circumvention*

Amendment 357

Klemen Grošelj, Christophe Grudler, Dominique Riquet, Nicola Danti, Nils Torvalds, Bart Groothuis

**Proposal for a regulation
Article 2 – paragraph 12**

Text proposed by the Commission

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.

Amendment

12. The Union ***shall make it a priority to*** conclude agreements with third countries with a view to take account of carbon pricing mechanisms in these countries in the application of Article 9.

Amendment 358

Carlos Zorrinho, Robert Hajšel, Csaba Molnár, Josianne Cutajar, Jens Geier, Miapetra Kumpula-Natri, Romana Jerković

**Proposal for a regulation
Article 2 – paragraph 12 a (new)**

Text proposed by the Commission

Amendment

12a. The Union may pursue complementary approaches to CBAM through cooperation and dialogue with third countries, with a view to conclude agreements on open, multilateral and cooperative approaches to tackle carbon leakage and achieve the deep decarbonisation of energy intensive industries, including through non-pricing policies. The introduction of CBAM and the proposal to increase cooperation and dialogue with third countries may actively contribute to tackle climate challenges at international level.

Amendment 359

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 12 a (new)

Text proposed by the Commission

Amendment

12a. A third country listed in Annex II, Section C of this Regulation, shall be removed from that list if the Commission has reasons to consider that the country has not shown sufficient progress to comply with one of the requirements listed in paragraph 11, points (a) to (f), or if the country has taken action incompatible with the objectives set out in the Union climate and environmental legislation.

Or. en

Amendment 360

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation

Article 2 – paragraph 12 b (new)

Text proposed by the Commission

Amendment

12b. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A, B or C, depending on whether the conditions in paragraphs 5, 7, 9, 11 or 13 are satisfied.

Or. en

Amendment 361

Jacek Saryusz-Wolski, Petras Auštrevičius, Ladislav Ilčí, Zdzisław Krasnodębski, Andrius Kubilius, Witold Jan Waszczykowski

Proposal for a regulation
Article 2 – paragraph 12 c (new)

Text proposed by the Commission

Amendment

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

Or. en

Amendment 362
Manuel Bompard

Proposal for a regulation
Article 2 a (new)

Text proposed by the Commission

Amendment

Article 2 a

Commitments and targets

1. The Union-wide greenhouse gas emissions embedded in the Union's importation shall be reduced by 65% at the latest compared to 2005.

2. The Commission shall adopt delegated acts in accordance with article 28 to supplement this Regulation by setting out sub-targets for each sector covered by this Regulation.

Or. en

Amendment 363
Manuel Bompard

Proposal for a regulation
Article 2 b (new)

Text proposed by the Commission

Amendment

Article 2 b

Sectoral roadmaps

1. By 1 January 2025, the Commission, supported by the Advisory Board established in Article 3 of Regulation (EU) 2021/1119, shall publish indicative sectoral roadmap on achieving the sub-targets referred to in Article 2a(2).

2. The Commission shall engage closely with stakeholders, including trade union, civil society, academia, policy makers and industry representatives.

3. Every four years after the publication of the roadmap set out in paragraph 1 of this Article, the Commission shall update the roadmap in accordance to the latest scientific knowledge, while engaging closely with stakeholders as referred in paragraph 2 of this Article.

4. All data used to produce the sectoral roadmaps set out in paragraph 1 of this Article, and for their updates pursuant to paragraph 3 of this Article, shall be made available to the public, in an easily accessible form.

Or. en