



# The Carbon Border Adjustment Mechanism

## Overview of CBAM implementation

Presentation to the ENVI Committee  
20 November 2023

European Commission / DG TAXUD / C2 Unit

# Agenda points

1. CBAM implementation
2. CBAM implementation from an international perspective
3. Next steps



## 1.1. Gradual implementation of CBAM

**Transitional period**  
**1 October 2023 – 31 December 2025**

**Post-transitional period**  
**January 2026 onwards**

2023

2024

2025

2026

### Monitoring and reporting

- ❖ CBAM Regulation of 10 May 2023
- ❖ Implementing Regulation of 17 August 2023

### Review

- ❖ Assessment of scope extension post 2026
- ❖ Impact on LDCs
- ❖ Progress in international climate discussions

### Gradual phase-in of CBAM

- ❖ Financial adjustment
- ❖ Verification of emissions

## 1.2. Objectives of the CBAM transitional period

- The transitional period is a **learning phase** for all:
  - Understanding respective roles and tasks
  - Collection of information
  - Facilitate smooth roll-out of the mechanism after the transitional period
- The information collected will allow the European Commission to further specify and finalise the **methodology** and find synergies with existing monitoring schemes
- The information collected will feed into **the review by 2025** and provide further clarity of the functioning
- **Reporting flexibilities** reflect the above and aim to introduce openness and balancing a smooth introduction with information needs

## 1.3. Reporting obligations in the transitional period

**October 2023 – December 2025**

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

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

**Report to be submitted quarterly**

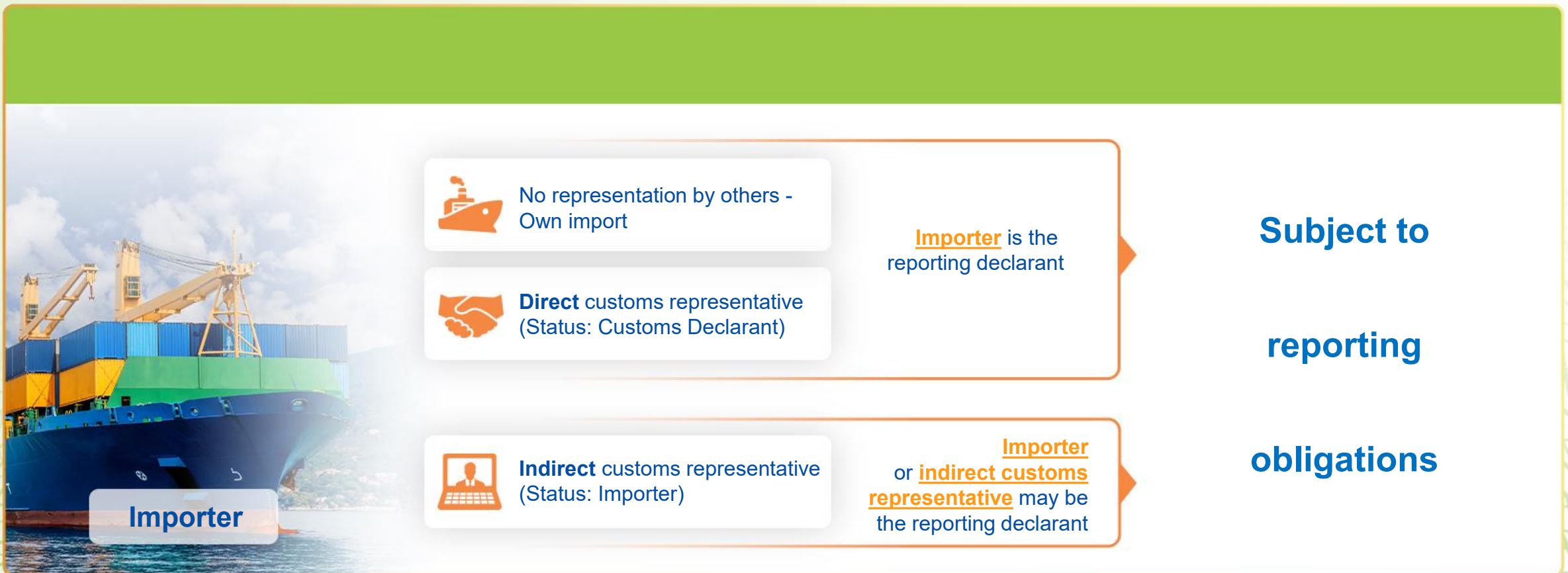
**No verification of emissions by  
EU-accredited verifier**



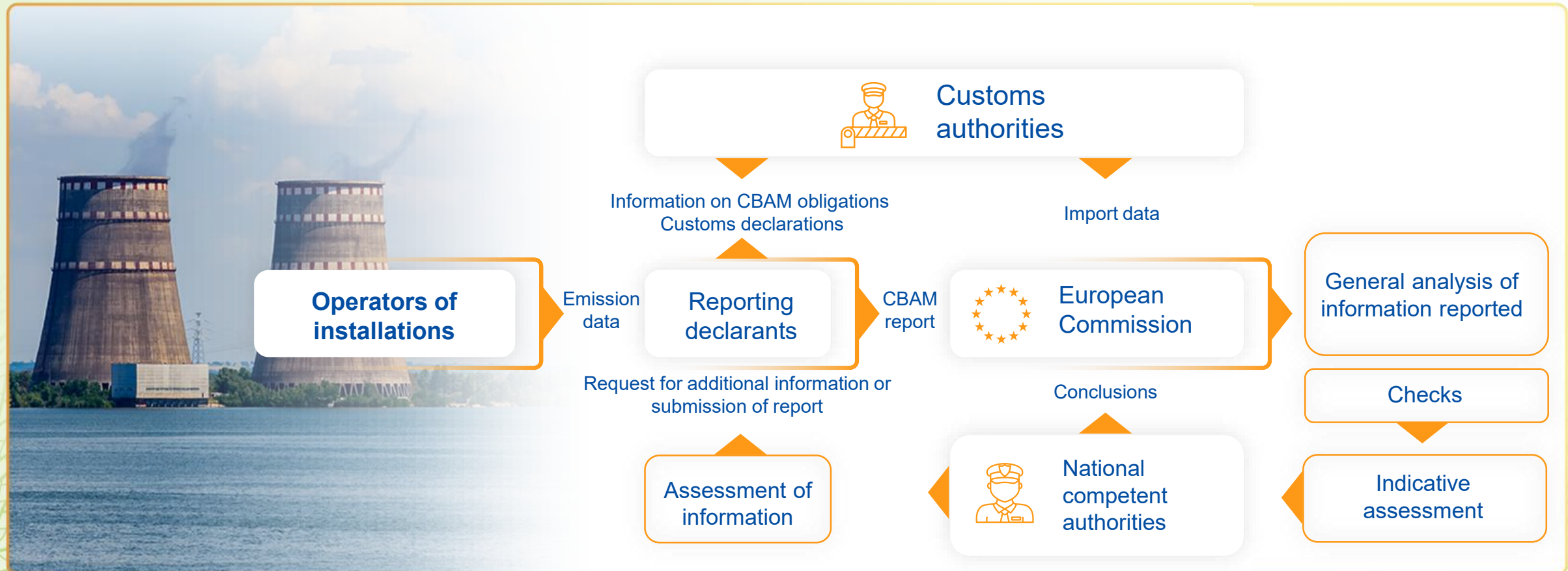
**No CBAM certificates**



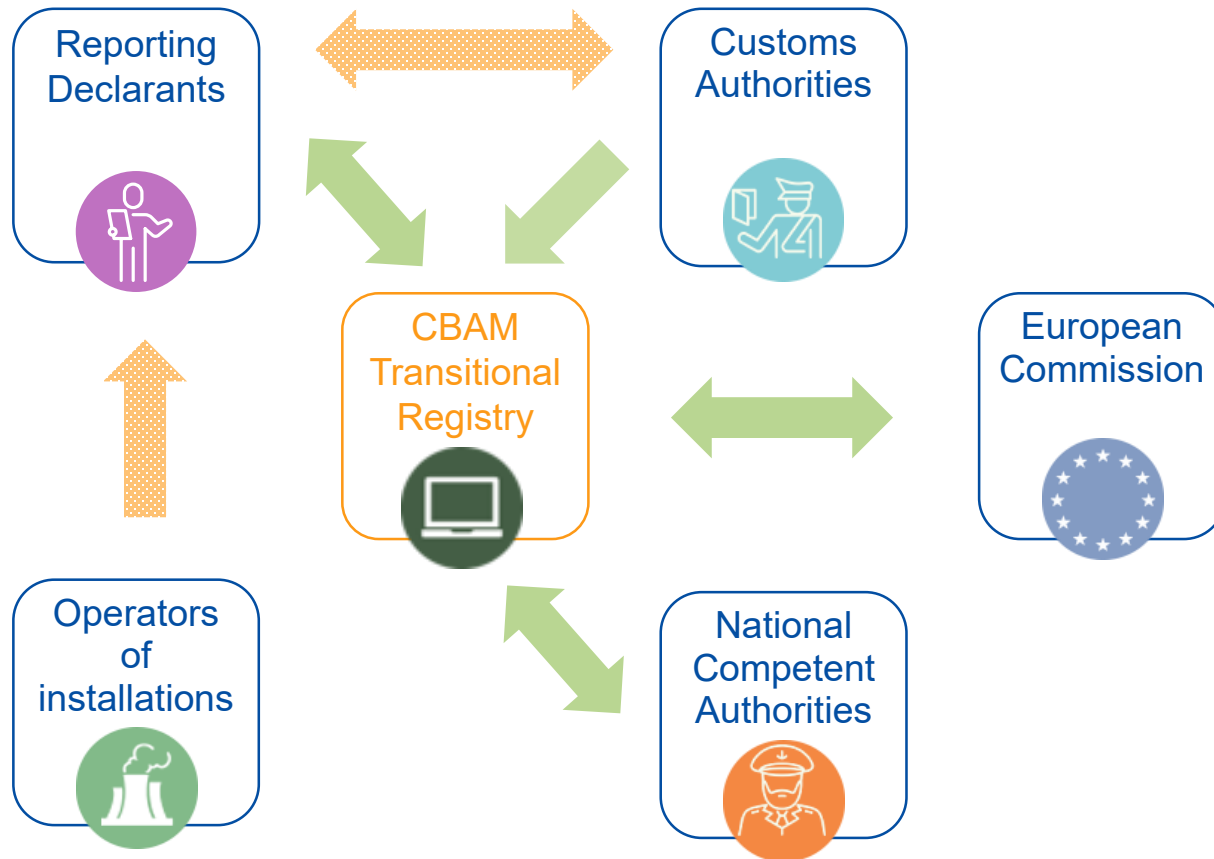
## 1.4. Reporting declarants



## 1.5. Overview of actors in CBAM



## 1.6. The CBAM Transitional Registry



### Key highlights

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



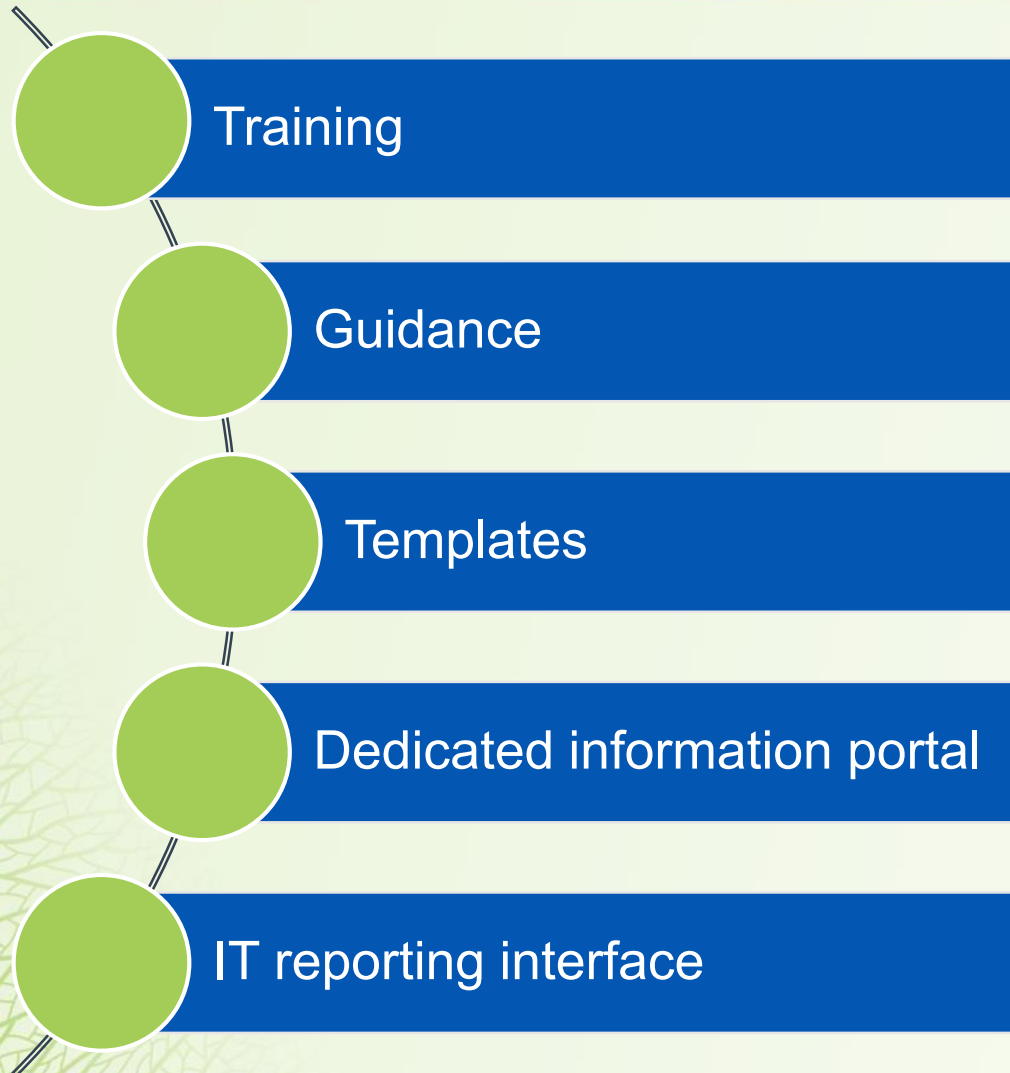
OUTSIDE THE REGISTRY



VIA THE REGISTRY



## 1.7. Guidance and support by the Commission



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

**Tailored guidance documents for:**

- **Producers in third countries**
- **Reporting declarants**

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

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

- **The CBAM Transitional Registry**
- **Detailed guidance for users**

## 1.8. Where to find further information on CBAM

Visit the CBAM webpage regularly – our one-stop shop

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

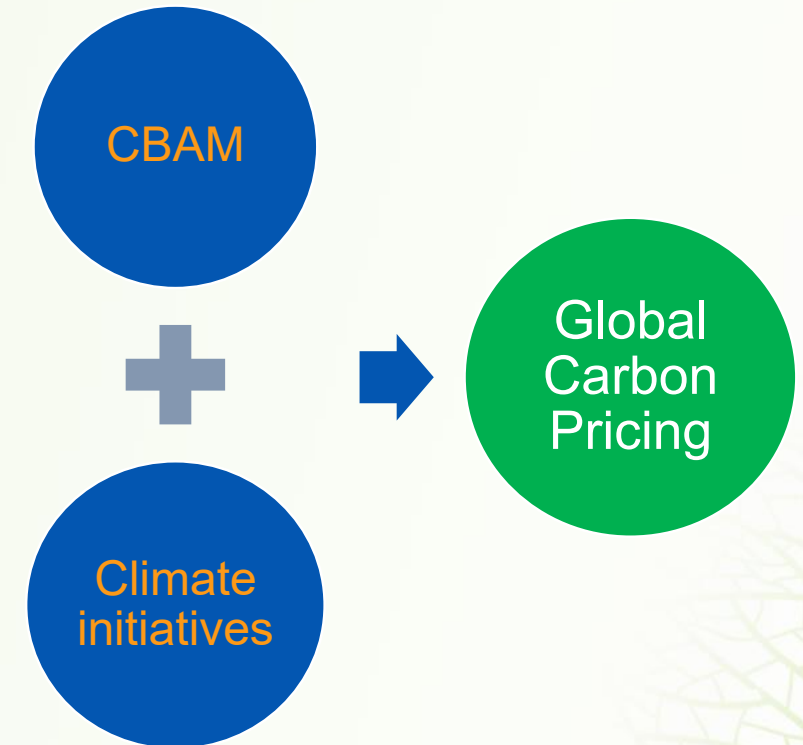


- Link to the CBAM Transitional Registry
- 2 guidance documents
- Communication template between importers and operators
- Registration to dedicated webinars
- Links to recordings of webinars through the Customs and Tax EU Learning portal
- Link to our E-learning materials through the Customs and Tax EU Learning portal
- Q&A and factsheet

## 2. CBAM is an internationally open mechanism

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

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





## 3.1. Legislative work during the transitional period

Act	Type	Timeline
Reporting obligations in transitional period	IA	Adopted Q3 2023
Authorisation of CBAM declarants (two separate acts)	IA	Q3 2024
Technical arrangements of CBAM Registry	IA	Q3 2024
Accreditation of verifiers (IA+DA) & verification principles (IA)	IA/DA	Q4 2024 & Q4 2025
Sale and re-purchase of CBAM certificates	DA	Q4 2024
Goods brought to the continental shelf or the exclusive economic zone	IA	Q4 2024
Communication and information of imported goods at the border	IA	Q4 2024
CBAM Declaration	IA	Q2 2025
Calculation of embedded emissions	IA	Q2 2025
Carbon price paid in third countries	IA	Q2 2025
Price of CBAM certificates	IA	Q2 2025
Adjustment for free allocation	IA	Q2 2025

## 3.2. Reports by the Commission

Report	Timeline
Recommendations for the inclusion of other relevant downstream products of the goods listed in Annex I, including a methodology	Q4 2024
Assessment of the reports submitted by third countries on the fulfilment of conditions to be exempted from CBAM for electricity as a CBAM good	Q4 2025 & Q3 2028
Report on the application of CBAM, including on possibility to extend the scope	Q4 2025
Report on impact on LDC's (decarbonization of manufacturing industries)	Q4 2025 and every year thereafter
Report on the delegation of power to adopt delegated acts	Q3 2027
Reports on CBAM functioning, its impacts (internal market, consumer prices, industries, trade) and possible adjustments in application (scope, governance)	Q4 2027 and every two years thereafter
Report on impact on exports	Q4 2027 and every two years thereafter

## 3.3. Studies

Study	Launch	First Deliverable	Final Deliverable
Scope extension to indirect emissions	Q1 2024	Q4 2024	Q2 2025
Scope extension upstream and for new goods and transport services	Q1 2024		Q2 2025
Scope extension to downstream goods	Q1 2024	Q3 2024	Q2 2025
Finalisation of default values	Q1 2024		Q1 2025
Rules for monitoring, reporting and verification (MRV) of embedded emissions during the definitive period & Adjustment for free allocation	Q2 2024		Q1 2025
Adjustment for carbon price paid abroad	Q2 2024		Q1 2025



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**Thank you for your attention!**

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

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