



2021/0214(COD)

15.2.2022

AMENDMENTS

129 - 427

Draft report
Mohammed Chahim
(PE697.670v01-00)

Establishing a carbon border adjustment

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

Amendment 129

Anna Zalewska

Draft legislative resolution

Citation 2

Draft legislative resolution

— having regard to Article 294(2) and Article **192(1)** of the Treaty on the Functioning of the European Union, **pursuant to which** the Commission submitted **the proposal** to Parliament (C9-0328/2021),

Amendment

— having regard to Article 294(2) and Article **192(2)** of the Treaty on the Functioning of the European Union, **as well as** the Commission **proposal** submitted to Parliament (C9-0328/2021),

Or. en

Amendment 130

Anna Zalewska

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)** thereof,

Or. en

Amendment 131

Anna Zalewska

Proposal for a regulation

Citation 6 a (new)

Text proposed by the Commission

Amendment

Having regard to the principles of subsidiarity, proportionality and solidarity;

Or. en

Amendment 132
Mohammed Chahim

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 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).

Amendment

(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 **at the latest** 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 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 133

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) The European Green Deal, with its ambitious targets, has increased costs for European producers. An instrument ensuring a level playing field with third countries, which do not have the same ambitious climate policies as the EU, is thus required.

Or. fr

Amendment 134

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) 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 135

Yannick Jadot

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. ***By adopting the Glasgow Climate Pact, its Parties recognised that limiting the increase in the global average 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 136

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

**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 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, ***the need to develop European policies promoting localism and the relocation of the most strategic industries.***

Or. fr

Amendment 137
Simona Baldassarre

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The Union is committed to reducing its economy-wide GHG emissions by at least 55 per cent by 2030 below 1990 levels, *as set out in the submission to the UNFCCC on behalf of the European Union and its Member States on the update of the nationally determined contribution of the European Union and its Member States*³⁴.

³⁴ Council of the European Union
ST/14222/1/20/REV1.

Amendment

(4) The Union is committed to reducing its economy-wide GHG emissions by at least 55 per cent by 2030 below 1990 levels, ***which is key for environmental sustainability, provided that these processes do not adversely impact on businesses and the public.***

Or. it

Amendment 138
Mohammed Chahim

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

³⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243,

Amendment

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050 ***at the latest***. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

³⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243,

Amendment 139

Petros Kokkalis

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

³⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Amendment

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050 ***at latest***. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

³⁵ Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

Amendment 140

Agnès Evren

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong

Amendment

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong

scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced, and that climate change needs to be limited to a global temperature increase of 1.5°C.

36 IPCC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [V. Masson-Delmotte, P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor and T. Waterfield (eds)].

scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced, and that climate change needs to be limited to a global temperature increase of 1.5°C. ***Only through multilateral efforts will it be possible to achieve the objectives set in the Paris Agreement.***

³⁶ GIEC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor et T. Waterfield (eds)].

Or. fr

Amendment 141

Stanislav Polčák

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that in order to reduce the likelihood of extreme weather

Amendment

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that ***the negative impacts of climate change and***

events, GHG emissions need to be urgently reduced, *and that climate change needs to be limited to a global temperature increase of 1.5°C.*

the need for adaptation measures will be significantly higher if the increase in global average temperature is above 1.5 °C, and that in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced.

IPCC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)].

IPCC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)].

Or. cs

Amendment 142

Yannick Jadot

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) Around 27% of global CO₂ emissions from fuel combustion currently relate to internationally traded goods and, while the Union has substantially reduced its domestic GHG emissions, the GHG emissions embedded in imports to the Union have been constantly rising, thereby undermining the Union's efforts to reduce its global GHG footprint.

Or. en

Amendment 143

Agnès Evren

Proposal for a regulation

Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) The European Union has a responsibility to continue to play a leading role in global climate action, in cooperation with all of the world's other economies.

Or. fr

Amendment 144

Jessica Stegrud, Rob Rooker

Proposal for a regulation

Recital 8

Text proposed by the Commission

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.

(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. ***There are concerns, however, that CBAM would promote the substitution of EU sales in third markets by non-EU output, thereby not only damaging Union's 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 145

Alexander Bernhuber, Angelika Winzig

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 *very different* policy approaches that do not result in the same level of climate ambition *than that of the Union and lead to significant differences in the price of GHG emissions*, there is a risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to *different levels of ambition in* climate policies, businesses in certain industry *or trade* 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 *risk exists not only for industrial goods, but also for agricultural products. That* could lead to an increase in *the* total emissions globally, *while undermining the effectiveness of Union emission reduction policies*, 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 146

Edina Tóth, Enikő Győri

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

Amendment 147

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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

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 would undermine the Union's competitiveness on global markets**.

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.

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 148 Jessica Polfjärd

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 do not *achieve* the same level of climate ambition, there is a risk of carbon leakage *which 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 149

Yannick Jadot

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, **and as the Union increases its climate ambition,** there **could be a potential** 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.

Or. en

Amendment 150

Stanislav Polčák

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

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.

policy approaches that do not result in ***a*** level of climate ambition ***comparable to that of the Union***, 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 total ***GHG*** emissions globally ***rather than their reduction, which*** is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Or. cs

Amendment 151

Yannick Jadot

Proposal for a regulation

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) Subject to compliance with the specific measures set out in Article XX of the GATT, there is nothing to prevent the adoption or application by any WTO member of measures necessary to protect the health and life of people and animals and the preservation of plant life, or related to the conservation of finite natural resources.

Or. en

Amendment 152

Jessica Stegrud, Rob Rooker

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. ***However, CBAM might be more costly for EU economies, which are more integrated with the rest of the world. In addition, there are concerns about the combination of 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. As a consequence, global production of CBAM goods might move to countries with lower carbon costs and where carbon intensity in production is higher.***

Or. en

Amendment 153

Alexander Bernhuber, Angelika Winzig

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. ***As stated in Article 2 of the Paris Agreement, the adaption to climate***

change, fostering climate resilience and lowering greenhouse gas emissions must be ensured in a manner that does not threaten food production. Therefore, measures are necessary to maintain and secure agricultural and food production within the Union and prevent negative impacts the mechanism could impose on this sector.

Or. en

Amendment 154

Agnès Evren

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 preserving the economic and industrial competitiveness of the Union and ensuring a level playing field within the single market, as laid down by Article 3(3) of the Treaty on European Union.*

Or. fr

Amendment 155

Petros Kokkalis

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 ***at latest*** in line with the Paris Agreement by addressing risks of carbon leakage resulting from the increased Union climate ambition. ***It will also contribute to establishing a level playing field for decarbonisation costs, to increasing the demand for low-carbon products and processes, as well as to avoid distortions of competition and promote fair trade.***

Or. en

Amendment 156

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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. ***These political guidelines could lead to a significant increase in global emissions if the issue of substitutions with non EU/EEA products in global trade flows remains unaddressed.***

Or. en

Amendment 157

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

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 preventing investment drain and ensuring a level playing field in order to preserve the competitiveness of European industry.***

Or. fr

Amendment 158

Sirpa Pietikäinen

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 ***fully*** in line with the Paris Agreement ***and WTO rules*** by addressing risks of carbon leakage resulting from the increased Union climate ambition. ***In the longer term, the CBAM could lay the ground for a global, highly ambitious system in carbon-pricing.***

Or. en

Amendment 159

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 160

Edina Tóth, Enikő Győri

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

Amendment 161
Mohammed Chahim

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 **at the latest**, in line with the Paris Agreement by addressing risks of carbon leakage resulting from the increased Union climate ambition.

Or. en

Amendment 162

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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 163

Jessica Polfjärd

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 164

Jessica Stegrud, Rob Rooker

Proposal for a regulation

Recital 9 a (new)

Text proposed by the Commission

Amendment

(9a) There is a significant concern that the introduction of CBAM will lead to a Europe that increasingly produces for itself, thereby damaging its own economy without there being a positive impact on the net-effect for global carbon emissions.

Or. en

Amendment 165

Petros Kokkalis

Proposal for a regulation

Recital 9 a (new)

(9a) The CBAM shall contribute to the implementation of the SDGs by promoting decent working conditions and ensuring that goods placed on the EU market are produced under conditions that respect ILO conventions and human rights.

Or. en

Amendment 166
Yannick Jadot

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, **besides being very costly for public resources, undermine the polluter pays principle and weaken** the price signal that the system provides for the installations compared to full auctioning and **full payment of indirect emissions costs, thus heavily reducing** the incentives for investment into further abatement of emissions. **The excess free emissions allowances have even produced unjustified windfall profits (more than EUR 25 billion between 2008 and 2015). Moreover, free allowances and 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 covered sectors.

Or. en

Amendment 167

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

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. fr

Amendment 168

Michał Wiezik

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

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.

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 ***and compensations for the electricity costs*** 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.

Introduction of the CBAM must lead to phase-out of these mechanisms to ensure that the price of domestically produced as well as imported products reflects more accurately their carbon content.

Or. en

Amendment 169

Ondřej Knotek

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.

Amendment 170**Edina Tóth, Enikő Győri****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 171**Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re****Proposal for a regulation****Recital 10***Text proposed by the Commission*

(10) Existing mechanisms to address the

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.***

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 172

Salvatore De Meo, Fulvio Martusciello, Aldo Patriciello, Luisa Regimenti

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

A too rapid phase out of free allowances as the CBAM is gradually phasing in weakens the

carbon leakage protection when such protection is mostly needed due to the increasing carbon price and the required investments in low carbon technologies. Free allocations should not be phased out until it is proven that the system is effective.

Amendment 173

Carlo Calenda

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 174

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Radan Kanev, Liudas Mažylis, Maria Spyraiki, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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

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.

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 175

Jessica Polfjärd

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 176
Antoni Comín i Oliveres

Proposal for a regulation
Recital 10

Text proposed by the Commission

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

Amendment

(10) Existing mechanisms to address the risk of carbon leakage in sectors or sub-sectors at risk of carbon leakage are the transitional free allocation of EU ETS allowances and financial measures to compensate for indirect emission costs incurred from GHG emission costs passed on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC. However, ***both*** free allocation under the EU ETS ***and compensations for indirect emission costs weaken*** the price signal that the system provides for the installations receiving ***them***, compared to full auctioning, and thus ***reduce*** the incentives for investment into further abatement of emissions. ***Furthermore, they cover the risk of relocation outside the EU but do not prevent the import of carbon intensive products into the EU.***

Or. en

Amendment 177
Alexander Bernhuber, 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-

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. ***Such measures are based on strict benchmarks set by the best performing installations so that they preserve an incentive to reduce emissions under the EU 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

Amendment 178
Dan-Ștefan Motreanu

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. ***Such measures are based on strict benchmarks set by the best performing installations so that they preserve an incentive to reduce emissions under the EU 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 179
Alexandr Vondra

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. ***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 180

Ivan David

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. ***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 181

Laura Huhtasaari

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) Existing mechanisms to address the

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.***

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. ***Such mechanisms are based on strict product benchmarks (or by default using fall back benchmarks such as heat, fuel and process emissions) 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. Both approaches have proven so far to be effective in mitigating the risk of carbon leakage.***

Or. en

Amendment 182

Agnès Evren

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. ***These measures have contributed to reducing the risk of carbon leakage but additional efforts are required to decarbonise the sectors concerned.***

Amendment 183**Hermann Tertsch, Pietro Fiocchi****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. ***A weaker price signal also reduces the incentives for end-users to switch to alternatives with a lower carbon footprint.***

Or. en

Amendment 184**Malin Björk, Idoia Villanueva Ruiz**

on behalf of the Committee on the Environment, Public Health and Food Safety

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

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.

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 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 incentives for investment into further **prevention and** abatement of emissions.

Or. en

Amendment 185 **Stanislav Polčák**

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 **or into seeking innovative, less emission-intensive solutions.**

Or. cs

Amendment 186
Rovana Plumb

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 ***only covers the risk of relocation outside the Union and not the import of carbon intensive products into the Union.***

Or. en

Justification

In its European Green Deal Communication, the Commission pointed out that there is a risk of carbon leakage “either because production is transferred from the EU to other countries with lower ambition for emission reduction, or because EU products are replaced by more carbon-intensive imports”

Amendment 187
Radan Kanev

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

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.***

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 ***only covers the risk of relocation outside the Union and not the import of carbon intensive products into the Union.***

Or. en

Amendment 188

Hermann Tertsch, Pietro Fiocchi

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 ***if not well allocated may weaken in particular situations the price signal that the system provides for the installations receiving it compared to full auctioning and do not address the import of carbon intensive products into the EU***

Or. en

Amendment 189

Christophe Hansen

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 ***remain necessary in the light of the high energy prices and as long as third countries do not have a cap and trade system similar to the EU ETS.***

Or. en

Amendment 190

Ivan David

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.

Or. en

Justification

CBAM needs to strengthened 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 191

Alexander Bernhuber, 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

Amendment

(11) The CBAM seeks to ***strengthen carbon leakage protection in view of higher Union 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 Union products exported to the global market are not replaced by more carbon intensive products, which would undermine the objective of reducing global emissions. As***

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.

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 *by 2030 after a test phase and an assessment by the Commission has proven the effectiveness of this 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.

Or. en

Amendment 192
Dan-Ştefan Motreanu

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

Amendment

(11) The CBAM seeks to *strengthen carbon leakage protection in view of higher Union 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 Union products exported to 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*

favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

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 *by 2030 after a test phase and an assessment by the Commission has proven the effectiveness of this 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.

Or. en

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 193 **Laura Huhtasaari**

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

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*

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.

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.

Or. en

Amendment 194 **Alexandr Vondra**

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

Amendment

(11) The CBAM seeks to ***strengthen carbon leakage protection in view of higher EU climate ambition by 2030 and thereafter*** 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 products exported in the global market are not replaced by more***

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.

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.

Or. en

Justification

CBAM needs to strengthened 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 195 **Pietro Fiocchi**

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*

Amendment

(11) The CBAM seeks to *complement and conceivably* replace, *after 2030*, these existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic

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.

products.

To ensure *that this new mechanism achieves the above objective, and prior to any gradual phasing-out of free EU ETS allowances, there is a need to assess a fully-operational CBAM based on the data gathered by the European Commission in the period 2026-2028, and to evaluate the impacts on value chains. Furthermore, before any reduction in the free allowances allocated is contemplated, an effective export protection mechanism must be established to ensure that the environmental objectives of the CBAM are not undermined by carbon leakage arising from the cancellation of European 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. it

Amendment 196

Luisa Regimenti, Massimiliano Salini, Aldo Patriciello, Fulvio Martusciello

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

Amendment

(11) The CBAM seeks to *complement and conceivably replace, after 2030,* 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 *that this new mechanism achieves the above objective, and prior to any gradual phasing-out of free EU ETS allowances, there is a need to assess a fully-operational CBAM based on the data gathered by the European Commission in the period 2026-2028, and*

favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

to evaluate the impacts on value chains. Furthermore, before any reduction in the free allowances allocated is contemplated, an effective export protection mechanism must be established to ensure that the environmental objectives of the CBAM are not undermined by carbon leakage arising from the cancellation of European 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. it

Amendment 197
Andreas Glück

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 Union export products are not replaced by more carbon intensive products from third countries, 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 Union competitiveness,*** the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are phased out ***after an assessment by the Commission has proven that this Regulation is effective in protection from the risk of carbon leakage for both imports and exports. A 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.

Or. en

Justification

The current carbon leakage protection regime has thus far helped to effectively prevent carbon leakage from the Union, including for exports. Prematurely replacing it with a novel, never before tested system risks undermining this effectiveness and thus EU value-creation and employment, as well as control over emissions.

Amendment 198

Ondřej Knotek

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 Union 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 Union 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 this 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.

Or. en

Amendment 199

Edina Tóth, Enikő Győri

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 mechanisms 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 Commission 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.

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 200

Agnès Evren

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 ambitions by 2030 and** 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**. To ensure a gradual transition from the current system of free allowances to the CBAM, the **free allowances** should **only be phased out once the CBAM regulation has proved its effectiveness in terms of protecting against 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.

Amendment 201
Jessica Polfjärd

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 202
Adam Jarubas

on behalf of the EPP Group

Ewa Kopacz, Deirdre Clune, Radan Kanev, Liudas Mažylis, Maria Spyraiki, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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 203

Yannick Jadot

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

Amendment

(11) The CBAM ***replaces*** these existing carbon leakage ***mechanisms by terminating derogations from the application of the ‘polluter pays principle’ granted until now to European industries and by simultaneously creating fairness between the Union’s producers and those***

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 third countries, by ensuring equivalent carbon pricing for imports and domestic products. The allocation of free allowances and the compensation of indirect emission costs will come to an end by 1 January 2025, when CBAM starts fully applying. The auctioning of allowances will provide much needed resources to the Union, above EUR 14 billion per year in 2030, to invest in the transformation to reach climate neutrality. By spurring investments into the ecological transition of the industry, the end of free allowances and compensation of indirect emission costs will also create savings for public budgets, as damages to health and environment due to atmospheric industrial pollution cost Europe between EUR 280 to 430 billion per year^{1a}.

^{1a} 'Counting the costs of industrial pollution', European Environmental Agency, 2021

Or. en

Amendment 204

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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***

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.

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 205
Christophe Hansen

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 mitigate the risk of carbon leakage in order to achieve the Union climate ambitions by 2030 and thereafter. Therefore,*** the CBAM seeks to 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. 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 ***gradually*** phased out ***as of 2030, after a test phase and an assessment by the Commission has demonstrated the effectiveness of this 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.

Or. en

Amendment 206
Christian Doleschal, Angelika Niebler

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 ***by 2030 after a provisional phase and after an assessment by the Commission has proven that CBAM offers effective protection from carbon leakage with regard to both 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 207
Malin Björk, Idoia Villanueva Ruiz
on behalf of the Committee on the Environment, Public Health and Food Safety

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

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 ***swift change*** from the current

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.***

system of free allowances to the CBAM, the CBAM should be ***swiftly implemented and*** free allowances ***and indirect costs compensation*** in sectors covered by the CBAM phased out ***rapidly***.

Or. en

Amendment 208

Radan Kanev

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. ***Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products, free allowances in sectors covered by the CBAM should be progressively*** phased out. 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 209

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

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 ***during a pilot phase that will allow for its effectiveness to be assessed following a transitional period making it possible to ensure that genuinely equivalent carbon pricing of direct and indirect emissions between the European Union and third countries has been achieved.***

Or. fr

Amendment 210
Hermann Tertsch, Pietro Fiocchi

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

Amendment

(11) The CBAM seeks to ***improve and 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. To ensure a gradual transition free allowances in sectors covered by the CBAM ***should only be gradually*** phased out ***once the CBAM shows its effectiveness in reaching the objective of providing a level playing field between domestic and imported products.*** The combined and transitional application of EU ETS allowances allocated free of

favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

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 211
Simona Bonafè

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. 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 212
Marian-Jean Marinescu

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,

Amendment

(11) The CBAM seeks to *complement* these existing mechanisms by addressing the risk of carbon leakage in a different

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.

way, namely by ensuring equivalent carbon pricing for imports and domestic products. *Once the CBAM has been implemented and fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products,* free allowances in sectors covered by the CBAM *should be progressively* phased out. 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

Justification

CBAM is by definition an untested mechanism. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of free allocation is initiated

Amendment 213 **Sirpa Pietikäinen**

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 abandoned fully*. 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 214**Michal Wiezik****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 ***all*** 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 215**Rovana Plumb****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***

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. ***Once the CBAM has fully demonstrated its effectiveness in equalising CO2 costs between imported and domestic products,***

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.

free allowances in sectors covered by the CBAM *should be progressively* phased out. 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

Justification

CBAM is by definition an untested mechanism. It is indispensable to ensure that CBAM effectively equalises CO2 costs between EU and non-EU suppliers before any phase-out of free allocation is initiated.

Amendment 216

Ondřej Knotek

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) While the surrendering of CBAM certificates for Union imports addresses the risk of carbon leakage on the Union market, it is essential to avoid also the risk that Union exports to global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs. To this purpose if the assessment of the effectiveness of the CBAM in tackling carbon leakage both on the internal market and global markets is positive, after the test period 2026-2028, in 2029 the Commission should present a report to the European Parliament and to the Council accompanied with a legislative proposal to address the carbon leakage risk on export markets . If the report concludes that the surrendering of CBAM certificates by importers is effective in addressing the carbon leakage risk on the Union market and that the free allocation

rules related to Union domestic sales should be amended, the legislative proposal should ensure the maintenance of free allocation related to Union exports and provide the calculation methodology for determining this allocation.

Or. en

Amendment 217
Dan-Ștefan Motreanu

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) While the surrendering of CBAM certificates for Union imports addresses the risk of carbon leakage on the Union market, it is essential to avoid also the risk that Union exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs. To this purpose, after the test period 2026-2028, the Commission should present an in-depth report to the European Parliament and to the Council accompanied with a legislative proposal to address the carbon leakage risk on export markets. If the report concludes that the surrendering of CBAM certificates by importers is effective in addressing the carbon leakage risk on the Union market and that the free allocation rules related to Union domestic sales should be amended, the legislative proposal should ensure the maintenance of free allocation related to Union exports and provide the calculation methodology for determining this allocation.

Or. en

Justification

If the effectiveness of the CBAM in tackling the carbon leakage risk on the EU market is

proven and free allocation rules are amended for EU domestic sales, free allocation shall remain in place for EU exports in order to avoid that EU products on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs

Amendment 218

Radan Kanev

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) To prevent carbon leakage both in the Union and in third country markets, goods of Union origin that are subject to the CBAM and that are exported to third countries and territories should benefit from an export adjustment. That export adjustment should continue to incentivise 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 219

Cristian-Silviu Buşoi, Radan Kanev, Massimiliano Salini, Iuliu Winkler

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) To prevent carbon leakage both in the Union and in third country markets, goods of Union origin that are subject to the CBAM and that are exported to third

countries and territories should benefit from an export adjustment. That export adjustment should continue to incentivise 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 220
Laura Huhtasaari

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) 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 221

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) 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 222

Ivan David

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to avoid also the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs. To this purpose if the assessment of

the effectiveness of the CBAM in tackling carbon leakage both on EU and global markets is positive, after the test period 2026-2028, in 2029 the Commission shall present a report to the European Parliament and Council accompanied with a legislative proposal to address the carbon leakage risk on export markets.

Or. en

Justification

Following the transitional period 2023-2025 (only reporting obligation for importers), and if the assessment of the effectiveness of the CBAM in tackling carbon leakage both on EU and global markets is positive after the test period 2026-2028 (start of surrendering obligations for importers), the Commission shall present a solution also for addressing carbon leakage on export markets, since this is necessary to avoid increase in global emissions.

Amendment 223

Nicolae Ștefănuță, Pascal Canfin, Emma Wiesner, Frédérique Ries, María Soraya Rodríguez Ramos, Susana Solís Pérez, Jan Huitema, Michal Wiezik, Martin Hojsík

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Installations under the EUETS facing a rising carbon price need long-term visibility, predictability and legal certainty to make their investment decisions. A clear pathway for the phase in of the remaining sectors and subsectors at risk of carbon leakage should therefore be established. This will strengthen the new legal framework to fight carbon leakage, provide the necessary time to ensure a smooth implementation of the CBAM and allow installations and companies to make the necessary investments in the decarbonisation of industrial processes in a stable and predictable legal context.

Or. en

Amendment 224
Andreas Glück

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) 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 the internal market and domestic demand, as well as trade flows of Union imports and exports in CBAM sectors.

Or. en

Justification

The current carbon leakage protection regime has thus far helped to effectively prevent carbon leakage from the Union, including for exports. Prematurely replacing it with a novel, never before tested system risks undermining this effectiveness and thus EU value-creation and employment, as well as control over emissions.

Amendment 225
Michał Wiezik

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The transition from the current system of free allowances to the CBAM is needed to incentivise the investment into further abatement of emissions globally in line with the goals of the Paris Agreement, the European Green Deal and Regulation (EU) 2021/1119 while

ensuring transparency and predictability of the system and avoiding excessive protection of Union installations contrary to WTO rules. Such transition should be completed gradually by 31 December 2028.

Or. en

Amendment 226

Malin Björk, Idoia Villanueva Ruiz

on behalf of the Committee on the Environment, Public Health and Food Safety

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The CBAM should, when further developed, cover the most emission-intensive sectors. A further analysis must be carried out as soon as possible in order to include more sectors and raw materials in the instrument, including, but not limited to, industrially processed goods and production that drives deforestation.

Or. en

Amendment 227

Marian-Jean Marinescu

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Given the unique characteristics of price formation on the Union electricity market, that are not existing in third countries, the mechanism in Article 10a(6) of Directive 2003/87/EC 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

Justification

The ETS indirect costs compensation system, which accurately reflects the indirect costs which European producers face, should remain in place until 2030. It must be highlighted the adaptative nature of the recently adopted ETS guidelines. Actually, the methodology for calculating the compensation is already dynamic, accurate and conditional upon decarbonisation efforts. After 2030, the difference between indirect costs and indirect emissions will be less of an issue and thus, the inclusion of Scope 2 in a CBAM could be considered

Amendment 228

Pascal Canfin, Catherine Chabaud, Jan Huitema, Frédérique Ries, Chrysoula Zacharopoulou

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Any provisions to maintain free allocations for exports should be compatible with the WTO rules, and in particular must have a clear environmental design, be used strictly to ensure a level-playing field on export markets and not be equivalent to subsidy to exports of carbon-intensive products.

Or. en

Amendment 229

Salvatore De Meo, Fulvio Martusciello, Aldo Patriciello, Luisa Regimenti

Proposal for a regulation

Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) The mechanism in Article 10a(6) of Directive 2003/87/EC should remain outside the scope of CBAM given the unique characteristics of price formation

on the Union electricity market, that are not existing in third countries.

Or. en

Justification

The CBAM must come on top of existing free allocation and be complementary to it. Free allocation should not be phased out until the system is fully tested and robust.

Amendment 230
Christophe Hansen

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission

Amendment

(11a) Urges the Commission also to watch closely the risk of carbon leakage in sectors covered by the EU-ETS but not covered by CBAM.

Or. en

Amendment 231
Laura Huhtasaari

Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) 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. As indicated in the Impact Assessment accompanying the Commission's proposal for a CBAM, "changes in employment are largely driven by the presence (or not) of free allocation"[1], since retaining free allocation results in better impact on

employment in the CBAM sectors. It is thus 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

([1] Proposal for a Regulation of the European Parliament and of the Council establishing a carbon border adjustment mechanism, Explanatory Memorandum, page 8.)

Amendment 232

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation

Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) 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 233
Andreas Glück

Proposal for a regulation
Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) The phasing-out of free allowances has to take into consideration the Union's exporting industry. A phase-out of free allowances can only happen gradually as it otherwise would put Union 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 Union export products are not replaced by more carbon intensive products from third countries, which would undermine the objective of reducing global emissions. Therefore free allowances should not be fully erased with the introduction of the CBAM and should be reserved for Union export goods to ensure a level playing field. Those measures for exports have to remain WTO-compliant and consistent with the Union'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

Justification

If the currently implicit export market coverage by free allocation is prematurely given up without adequately addressing a continued level-playing field abroad, EU exports will be at a disadvantage to more carbon intense but not carbon priced foreign goods where there are differences in climate ambition.

Amendment 234

Ivan David

Proposal for a regulation

Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to avoid also the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs. To this purpose, after the test period 2026-2028, the Commission shall present an in-depth report to the European Parliament and Council accompanied with a legislative proposal to address the carbon leakage risk on export markets. If the report concludes that the surrendering of CBAM certificates by importers is effective in addressing the carbon leakage risk on the EU market and that the free allocation rules related to EU domestic sales should be amended, the legislative proposal shall ensure the maintenance of free allocation related to EU exports and provide the calculation methodology for determining this allocation.

Or. en

Justification

If the effectiveness of the CBAM in tackling the carbon leakage risk on the EU market is proven and free allocation rules are amended for EU domestic sales, free allocation shall remain in place for EU exports in order to avoid that EU products on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs.

Amendment 235

Salvatore De Meo, Fulvio Martusciello, Aldo Patriciello

Proposal for a regulation

Recital 11 b (new)

Text proposed by the Commission

Amendment

(11b) While CBAM tackles the risk of carbon leakage in the internal market, it is also essential to avoid the risk that Union exports to global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policies and carbon costs. For this purpose, after the 2026-2028 test period, in 2029 the Commission should present an in-depth report to the European Parliament and to the Council accompanied by a legislative proposal to address the risk of carbon leakage on export markets. If that report confirms that the surrendering of CBAM certificates by importers is effective in addressing carbon leakage in the internal market and that free allocation rules on Union domestic sales should be changed, the legislative proposal should ensure the maintenance of free allocation related to Union exports and provide the calculation methodology for determining this allocation.

Or. en

Justification

If the effectiveness of the CBAM in tackling the carbon leakage risk on the EU market is proven and free allocation rules are amended for EU domestic sales, free allocation shall remain in place for EU exports in order to avoid that EU products on global markets are

replaced by more carbon intensive goods or by goods that are not subject to equivalent climate policy and carbon costs.

Amendment 236

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation

Recital 11 c (new)

Text proposed by the Commission

Amendment

(11c) 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 237

Yannick Jadot

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 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.

(12) The objective of the CBAM, combined with Directive 2003/87/EC, is primarily to reduce greenhouse gas emissions inside and outside the Union in the pursuit of the Paris Agreement targets. By contributing to ensuring effective and meaningful carbon pricing, as part of a broader regulatory environment, this Regulation can also act as an economic incentive to spur investments in the decarbonisation of the economies of the Union and the world, and as an incentive for greater regulatory ambition in other world regions. While it is important that third countries do not

implement practices of circumvention which would undermine the climate effect of the CBAM, the Union should also avoid introducing instruments to support the competitiveness of the domestic industry creating perverse climate effects. Export rebates have been excluded from this Regulation as they could have such perverse effects, incentivising less efficient production methods for European exporting industries, besides being incompatible with the principles of the WTO.

Or. en

Amendment 238
Jessica Polfjärd

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 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 239

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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. ***For that reason the CBAM could 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 240

Edina Tóth, Enikő Győri

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

Amendment 241

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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 ***should*** encourage the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated. ***This scheme aims at boosting the export of more sustainable products manufactured in the EU and avoid substitutes at a global level less sustainable and with higher carbon footprint.***

Or. en

Amendment 242

Agnès Evren

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. ***It will therefore be relevant to export more sustainable***

products manufactured in the EU and avoid substitutes at a global level with higher carbon footprints.

Or. fr

Amendment 243

Sirpa Pietikäinen

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 ***and to set a 2050 decarbonisation target and required transition plans for the Union industry***, 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 244

Jessica Stegrud, Rob Rooker

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) CBAM is ***unlikely to provide a profound incentive for other countries to introduce their own systems of carbon pricing, once they realise that the global economy is gradually shifting away from the Union towards emerging and middle-income countries and that such a system would damage their total export and domestic consumption.***

Or. en

Amendment 245

Stanislav Polčák

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 **should** also **aim to** 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. cs

Amendment 246

Rovana Plumb

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) While the surrendering of CBAM certificates for Union imports addresses the risk of carbon leakage on the Union market, it is essential to also avoid the risk that Union exports to global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. To this purpose, the Commission should present a report to the European Parliament and to the Council accompanied with a legislative proposal to address the carbon leakage risk on export markets before the end of the transition period. This proposal should consider WTO-compatible solutions such as export adjustment mechanisms that would equalise CO₂ costs, taking into account the carbon pricing schemes developed by third countries. Pending the development of

such a legislative proposal, free allocation related to Union exports of the products listed in Annex I should not be subject to the phasing out of the free allowances in accordance with the procedure of Article 10a of Directive 2003/87/EC.

Or. en

Justification

Already today, European exporting sectors are faced with an increasing competitive disadvantage in relation to producers in third countries, when the latter are not subject to similar emission reduction efforts as those applied to EU operators under the EU ETS. While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. For this purpose, the European Commission should develop as soon as possible a WTO-compatible solution to avoid carbon leakage on European exports. Until such solution is developed, it is essential that free allocation for European exports is maintained.

Amendment 247

Alexander Bernhuber

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) However, the problem of carbon leakage has to be seen in a broader context of the cumulative impact of the Union's growing environmental ambitions, as expressed, inter alia, in the European Green Deal component strategies, on the competitiveness of the Union economy as a whole. The disparity in production standards and requirements between the Union and its external trading partners is evident not only in the sectors covered by the EU ETS scheme, but also, inter alia, in agriculture. In particular the fact that agricultural goods produced using fertilisers are not covered by CBAM represents a significant competitive disadvantage. Therefore, a multi-pronged approach for agriculture is needed: the combat against carbon

leakage through CBAM should be accompanied by financial incentives to support farmers. New resources for this purpose should be created from the revenues generated from CBAM.

Or. en

Amendment 248

Agnès Evren

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) Preventing the risk of carbon leakage goes hand in hand with preserving EU economic and industrial competitiveness. The EU must work to ensure that European industry can rely on a level playing field internationally, enabling it to be competitive on the single market and to export to international markets. It is therefore essential for the CBAM to 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, which undermines the goal of lowering global emissions.

Or. fr

Amendment 249

Dolors Montserrat

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) It is essential to also avoid the risk that Union exports to global markets are

replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. The Commission should address the problem of carbon leakage risk on export markets before the end of the transitional period and consider WTO-compatible solutions to equalise CO2 costs, taking into account the carbon pricing schemes developed by third countries. Pending the development of such legislation, Union exports should be covered with the allocation of free ETS allowances until other countries take equivalent and effective steps to impose carbon costs on their domestic production, including the one dedicated to exports.

Or. en

Amendment 250

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) While the surrendering of CBAM certificates for Union importers addresses the risk of carbon leakage on the internal market, it is essential that the CBAM would also seek to reduce the possibility of Union 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 Union exports to third countries that have not yet limited or priced GHG emissions at the same levels as the Union.

Amendment 251

Jessica Polfjärd

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) 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 252

Nikos Androulakis

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) While this regulation addresses the risk of carbon leakage on the EU market, it is essential to develop an export adjustment mechanism to avoid the risk of EU exports being replaced by more carbon intensive goods or by goods that are not subject to any carbon pricing scheme. Having that in mind the Commission should present a report to the

European Parliament and the Council by the end of the transitional period, accompanied if needed by a legislative proposal with WTO compatible solutions, to address the carbon leakage risk on export markets.

Or. en

Amendment 253
Antoni Comín i Oliveres

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) While the surrendering of CBAM certificates for EU imports addresses the risk of carbon leakage on the EU market, it is essential to also avoid the risk that EU exports on global markets are replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. To this purpose, the Commission shall present a report to the European Parliament and Council accompanied with a legislative proposal to address the carbon leakage risk on export markets before the end of the transition period.

Or. en

Amendment 254
Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation
Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) CBAM is unlikely to provide a profound incentive for other countries to introduce their own systems of carbon pricing, once they realise that the global

economy is gradually shifting away from the Union towards emerging and middle-income countries and that such a system would damage their total export and domestic consumption.

Or. en

Amendment 255

Malin Björk, Idoia Villanueva Ruiz

on behalf of the Committee on the Environment, Public Health and Food Safety

Proposal for a regulation

Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) In order to help fulfilling the EU's commitments in line with the Paris agreement revenues earned from the sale of CBAM certificates should be assigned to support the efforts of developing countries and countries in the Global South towards the de-carbonisation of their industries.

Or. en

Amendment 256

Dolors Montserrat

Proposal for a regulation

Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) If the Union wants to promote the best environment and climate standards worldwide, additional measures should be adopted to ensure that European companies are able to compete in an international level playing field. A combination of Union measures should address the direct and indirect costs linked to exported Union products. For this purpose, in addition to the measures

included in this Regulation, the Commission should update the State Aid framework to ensure sufficient compensation of indirect costs for the exports in sectors at risk of carbon leakage.

Or. en

Amendment 257

Agnès Evren

Proposal for a regulation

Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) This Regulation does not apply to goods exported from the EU and therefore does not address carbon leakage associated with exports. Consequently, the Commission should carry out an analysis of the mechanism's impact on export markets and, if the assessment of the effectiveness of the CBAM in tackling carbon leakage on the EU market is positive, the Commission shall present a report to the European Parliament and Council accompanied by a legislative proposal to address the carbon leakage risk on export markets.

Or. fr

Amendment 258

Hermann Tertsch, Pietro Fiocchi

Proposal for a regulation

Recital 12 b (new)

Text proposed by the Commission

Amendment

(12b) A full exemption of carbon costs is possible on goods exported or on inputs used to manufacture exported goods. Such exemptions fully safeguard the

competitiveness of EU exports on the global market, both for goods under CBAM and for exports derived from those goods. Under the WTO agreement on Subsidies and Countervailing Measures- ASCM- the export exemptions related to duties and levies on goods are allowed.

Or. en

Amendment 259

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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 ***to guarantee an equal treatment to domestic and imported products***. The CBAM is a climate measure ***impacting the competitiveness of EU industries*** which should prevent the risk of carbon leakage and support the Union's climate ***goals***, while ensuring WTO compatibility ***and representing a step towards levelling the competitive playing field for sectors under CBAM without neglecting export competitiveness of EU industries. It is necessary to have a pragmatic and in depth assessment of trade implications before continuing the political process of CBAM and the extension of its scope.***

Or. en

Amendment 260

Laura Huhtasaari

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, ***under the import provisions,*** 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. ***Under the export provisions, the CBAM should ensure that allowance adjustments provided to European exported products simply calibrate the regulatory obligation and the net regulatory burden imposed in the Union when these products are exported to third countries which have not yet limited or priced GHG emissions at the same levels as the EU.*** 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 261
Marian-Jean Marinescu

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,***

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 ***primarily objective should be to lower global emissions by preventing carbon leakage while effectively equalizing CO2 costs between EU and non-EU suppliers and ensuring a***

while ensuring *WTO compatibility*.

full level playing field on carbon.

Or. en

Amendment 262
Dolors Montserrat

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 in imported and domestic production and fair competition in international trade.*** 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 263
Sirpa Pietikäinen

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

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 ***may also***

measure which should prevent the risk of carbon leakage and support the Union's increased ambition on climate mitigation, while ensuring WTO compatibility.

cover products containing large amounts of these energy-intensive commodities that may be particularly at risk of carbon leakage. 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 264

Alexander Bernhuber, 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 *and environmental protection* measure which should prevent the risk of carbon leakage, *promote carbon pricing globally, enhance decarbonisation in a cost-effective way* and support the Union's increased ambition on climate mitigation, while ensuring WTO compatibility.

Or. en

Amendment 265

Radan Kanev

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the

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.

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 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 266
Marian-Jean Marinescu

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 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 267
Rovana Plumb

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 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

Justification

The core objective of a CBAM should be to effectively equalise CO2 costs between EU and non-EU suppliers and ensure a full level playing field on carbon.

Amendment 268

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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***.

Amendment 269**Jessica Polfjärd****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 270**Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët****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 partially linked to the Union's increased ambition on climate mitigation, while ensuring WTO compatibility.

Amendment 271

Jessica Polfjärd

Proposal for a regulation

Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) 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 should 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 272

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation

Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) As CBAM is a mechanism that addresses the risk of carbon leakage on the internal market for Union imports, it is essential to avoid the risk that Union exports are replaced by more carbon

intensive goods on the global market. Consequently, the Commission should analyse its implementation and effectiveness throughout the administrative transitional period and should by the end of that period submit a report to the European Parliament and to the Council that specifies the carbon leakage risk on export markets accompanied, where appropriate, by a legislative proposal to prevent the carbon leakage risk on export markets with safeguards in respect of products intended for export.

Or. en

Amendment 273
Alexander Bernhuber, Angelika Winzig

Proposal for a regulation
Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) Imported agricultural basic commodities such as wheat or maize produced with the use of fertilisers covered by this Regulation have an economic advantage in terms of production costs if the production of fertilisers in the country of origin of these agricultural basic commodities is not subject to a comparable CO₂ pricing system. In order to mitigate this problem, certain agricultural basic commodities should also be subject to CO₂ pricing, whereby the pricing should only relate to the use of fertilisers.

Or. en

Amendment 274
Alexander Bernhuber, Angelika Winzig

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) Union law already contains provisions on production methods that apply 'mirror' measures to products imported from third countries, for example the ban on the import of animals and products derived from animals that have been administered antimicrobial drugs used for growth promotion purposes and antimicrobials reserved for human health, as provided for in Regulation (EU) 2019/6. However, due to the increasingly stringent requirements in the Union's agriculture, it is necessary to extend such provisions and impose on imports the same requirement as those applicable to European farmers.

Or. en

Amendment 275

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) A centralised arrangement at Union level should be adopted to compensate sectors or sub-sectors which are exposed to a genuine risk of carbon leakage due to significant costs that are actually incurred from GHG emission costs passed on as a consequence of the gradual phase-out of free allocation in favour of the obligation to surrender CBAM certificates. It is appropriate to lay down measures in this Regulation to ensure that no distortions are created on the internal market. The power to adopt

acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the rules outlining this arrangement.

Or. en

Amendment 276
Jessica Stegrud, Rob Rooker

Proposal for a regulation
Recital 13 b (new)

Text proposed by the Commission

Amendment

(13b) Trade retaliation can have the aim to hit the Union where it would hurt the most. The Union, due to its climate ambitions, will increasingly be dependent on raw materials such as rare earth, lithium, cobalt, graphite. There is a risk that CBAM might lead to expensive restrictions on these much needed commodities and to increasing the Union's geopolitical vulnerability.

Or. en

Amendment 277
Alexander Bernhuber

Proposal for a regulation
Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) Therefore, the CBAM should not only be a climate protection measure, but rather also an environmental protection measure. Especially with regard to the production conditions of agricultural products, the Union pursues higher and stricter goals than many of its trading partners. Accordingly, not only should carbon leakage be prevented in the agricultural sector, but a mechanism

should also be developed that monetises lower environmental requirements with regard to the production of agricultural products. Such a mechanism should primarily cover agricultural products such as cane sugar or palm oil.

Or. en

Amendment 278

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Maria Spyra, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation

Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) During the comprehensive transition period, but by 1 January 2028 Commission should evaluate the risk of carbon leakage in downstream sectors and end users, including from loss of exports, for operators that produce products covered by Regulation (EU) No 1308/2013 of the European Parliament and of the Council or which use those products as their main input as a cause of the gradual phase-out of free allocation in favour of the obligation to surrender CBAM certificates. To address this risk, the Commission should present legislative proposals under the Common Agricultural Policy.

Or. en

Amendment 279

Jessica Stegrud, Rob Rooker

Proposal for a regulation

Recital 13 c (new)

Text proposed by the Commission

Amendment

(13c) CBAM not only increases the possibility of international trade conflicts, but promotes indirectly market distorting subsidies in third countries, thereby further damaging global trade rules substantially.

Or. en

Amendment 280

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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, 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 281

Laura Huhtasaari

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) This Regulation should apply to goods imported into the customs territory

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.

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 282

Alexander Bernhuber, Angelika Winzig

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 ***initially*** 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. ***In a further step, this Regulation should in any case be expanded to goods whose production depends on goods listed in Annex I, in particular to agricultural products.***

Or. en

Amendment 283

Stanislav Polčák

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) This Regulation should apply to goods imported into the customs territory

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.

of the Union from third countries, except where their production has already been subject to the EU ETS, ***due to its application in those*** third countries or territories, or to a carbon pricing system fully ***comparable*** with the EU ETS. ***At the same time, the Regulation should not disproportionately exacerbate the market barriers that developing third countries already face to a greater extent than economically developed third countries.***

Or. cs

Amendment 284

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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, 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 only granted to those goods subject to carbon costs equal to the ones incurred by EU producers under EU ETS.***

Or. en

Amendment 285

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation

Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) 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 286
Laura Huhtasaari

Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) 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 287
Luisa Regimenti, Massimiliano Salini, Aldo Patriciello, Fulvio Martusciello, Salvatore De Meo

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 only when the carbon costs passed on in the products imported are completely equivalent to those under the ETS within***

Commission in respect of amending the list of countries in Annex II. Conversely, those third countries or territories should be excluded from the list in Annex II and be subject to CBAM whereby they do not effectively charge the ETS price on goods exported to the Union.

the EU, and when there is a free energy market, the European Commission should submit a proposal to the European Parliament and the Council to amend the current Regulation. 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. it

Amendment 288

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation

Recital 15

Text proposed by the Commission

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

Amendment

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

Or. en

Amendment 289

Pietro Fiocchi

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 only when the carbon costs passed on in the products imported are completely equivalent to those under the ETS within the EU, and when there is a free energy market, the European Commission should submit a proposal to the European Parliament and the Council to amend the current Regulation.*** 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. it

Amendment 290

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

**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 291
Laura Huhtasaari

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 292
Agnès Evren

Proposal for a regulation
Recital 15

Text proposed by the Commission

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

Amendment

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

Amendment 293

Malin Björk, Idoia Villanueva Ruiz

on behalf of the Committee on the Environment, Public Health and Food Safety

Proposal for a regulation

Recital 15

Text proposed by the Commission

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

Amendment

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS in the event of future agreements, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of amending the list of countries in Annex II, **Section A**. 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 294

Stanislav Polčák

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

Amendment

(15) *(Does not affect English version)*

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. cs

Amendment 295
Pascal Canfin, Stéphane Bijoux

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) With a view to ensuring the ecological transition in the outermost regions is accompanied by economic and social cohesion, an impact assessment should be carried out before the end of the transition period on the potential economic and social impacts specific to these regions. The Commission must ensure compliance with Article 349 TFEU and propose appropriate measures for the outermost regions in implementing the CBAM, in particular because of the specific customs and tax arrangements that apply to the outermost regions.

Or. fr

Amendment 296
Adam Jarubas
on behalf of the EPP Group
Ewa Kopacz, Deirdre Clune, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) The Commission should hold consultations and put forward a specific proposal on how part of revenues

generated by CBAM could be dedicated to supporting decarbonisation process in third countries, especially in the least developed countries and the countries that are contracting parties to the Treaty establishing the Energy Community. As regards the latter countries the establishment of a system similar to EU ETS with view to alignment of prices with EU ETS should be the prerequisite.

Or. en

Amendment 297

Malin Björk, Idoia Villanueva Ruiz

on behalf of the Committee on the Environment, Public Health and Food Safety

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Least Developed Countries (LDCs), as defined by the UN, are granted an exemption from CBAM, in light of their high vulnerability and high disadvantages in their development process, for structural, historical and also geographical reasons. The list of LDCs in Annex II, Section C, is periodically updated by the Commission following the three-year review of the list of LDCs by the UN ECOSOC.

Or. en

Amendment 298

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) If CBAM is not properly implemented, there is a risk that CBAM

might lead to severe restrictions on key commodities whilst increasing the Union's geopolitical vulnerability and dependency from third countries.

Or. en

Amendment 299
Cristian-Silviu Buşoi

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*, as well to indirect emissions, mirroring the scope of the EU ETS. *Including indirect emissions and pricing them in the CBAM should only be considered if and when 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 across the sectors concerned have been assessed. The 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 should coexist with the CBAM and be phased out only when a robust system pricing indirect emissions of imports fully mirrors and is equal to*

the indirect emission costs borne by European producers.

Or. en

Amendment 300

Edina Tóth, Enikő Győri

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 *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

Amendment 301

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 302
Marian-Jean Marinescu

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,

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.

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

Justification

Due to the marginal pricing system applied in European electricity markets, indirect costs do not correlate with indirect emissions. A CBAM on indirect emissions would be incapable of creating a level playing field with regard to the indirect costs faced by European producers and would therefore discriminate against low-carbon European production, to the benefit of high-carbon imports. Including indirect emissions and pricing them in the CBAM should be done only when the mismatch between ETS indirect costs and emissions is reduced to the minimum

Amendment 303

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi

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 indirect cost compensation**, as well to

indirect emissions, mirroring the scope of the EU ETS.

Or. en

Amendment 304

Jessica Polfjärd

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 305

Yannick Jadot

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

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.

carbon dioxide ('CO₂') as well as, where relevant, nitrous oxide ('N₂O') and perfluorocarbons ('PFCs'). The CBAM should ***reflect future revisions of the EU ETS in terms of regulated GHG emissions. 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. ***Coherence between the CBAM and the EU ETS are essential to respect the principles of the WTO.***

Or. en

Amendment 306 **Dolors Montserrat**

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

Amendment 307 **Nicolae Ștefănuță, Emma Wiesner, María Soraya Rodríguez Ramos, Susana Solís Pérez, Jan Huitema, Linea Sogaard-Lidell, Michal Wiezik, Martin Hojsík**

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

Amendment 308
Radan Kanev

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 ***development of the relevant methodologies by the Commission***, as well to indirect emissions, mirroring the scope of the EU ETS.

Or. en

Amendment 309
Rovana Plumb

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, and after the ***development of the relevant methodologies by the Commission***, as well to indirect emissions, mirroring the scope of the EU ETS.

Or. en

Justification

European industries are facing today significant indirect emissions and costs related to these. These will rise in the future as key decarbonisation technologies are introduced, and through electrification of production processes. It is therefore crucial that indirect emissions are included in the Commission proposals to ensure a level playing field. Similarly, transport emissions should be included in the mechanism once the EU ETS is expanded to transport

Amendment 310
Dan-Ştefan Motreanu

Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) The implementing act pursuant to Article 7(6) should include all input materials that contribute significantly to GHG emissions. In the case of stainless

steel (CN codes 7218-7223), ferro-alloys should be included in the list of input materials as they fulfil this criterion.

Or. en

Justification

In order to ensure the environmental integrity of the CBAM, the measure shall take into account all relevant input materials that contribute significantly to GHG emissions. For instance, in the case of steel, if a coil is produced in country X using a slab produced in country Y, also emissions of the slab shall be included in the CBAM; In the case of stainless steel production, ferro alloys represent the key source of GHG emissions. While EU stainless steel producers are using a preponderant proportion of ferrous scrap, thus limiting the ferro-alloys proportion and the resulting GHG emissions to an absolute minimum, stainless steel imports from third countries rely mainly on primary materials such as nickel pig iron or other carbon-intensive ferro-alloys. This results in major differences in the full carbon footprint, with a large share of imported stainless steel having a carbon footprint 2 to 5 times higher than equivalent stainless steel produced in the EU. Therefore, and in order to ensure that the CBAM will efficiently address carbon leakages impacting the EU stainless industry and provide an incentive to third countries to reduce their own GHG emissions, it is essential that the list of upstream materials pursuant to article 7(6) includes also ferro alloys in the case of stainless steel.

Amendment 311

Ivan David

Proposal for a regulation

Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) The implementing act pursuant to Article 7(6) shall include all input materials that contribute significantly to GHG emissions. In the case of stainless steel (CN codes 7218-7223), ferro-alloys shall be included in the list of input materials as they fulfil this criterion.

Or. en

Justification

In order to ensure the environmental integrity of the CBAM, the measure shall take into account all relevant input materials that contribute significantly to GHG emissions. For instance, in the case of steel, if a coil is produced in country X using a slab produced in country Y, also emissions of the slab shall be included in the CBAM; in the case of stainless

steel production, ferro alloys represent the key source of GHG emissions. While EU stainless steel producers are using a preponderant proportion of ferrous scrap, thus limiting the ferro-alloys proportion and the resulting GHG emissions to an absolute minimum, stainless steel imports from third countries rely mainly on primary materials such as nickel pig iron or other carbon-intensive ferro-alloys. This results in major differences in the full carbon footprint, with a large share of imported stainless steel having a carbon footprint 2 to 5 times higher than equivalent stainless steel produced in the EU. Therefore, and in order to ensure that the CBAM will efficiently address carbon leakages impacting the EU stainless industry and provide an incentive to third countries to reduce their own GHG emissions, it is essential that the list of upstream materials pursuant to article 7(6) includes also ferro alloys in the case of stainless steel.

Amendment 312
Laura Huhtasaari

Proposal for a regulation
Recital 17 a (new)

Text proposed by the Commission

Amendment

(17a) The implementing act pursuant to Article 7(6) shall include all input materials that contribute significantly to GHG emissions. In the case of stainless steel (CN codes 7218-7223), ferro-alloys shall be included in the list of input materials as they fulfil this criterion

Or. en

Amendment 313
Stanislav Polčák

Proposal for a regulation
Recital 18

Text proposed by the Commission

Amendment

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

(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

Union.

globally in the Paris Agreement and with a view to its implementation in the Union too.

Or. cs

Amendment 314

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation

Recital 18 a (new)

Text proposed by the Commission

Amendment

(18a) In order to prevent carbon leakage, it is imperative to preserve the competitiveness of European industry at global level. The CBAM will only be effective if appropriate measures are taken to not undermine the capacity of European industries to compete in third countries markets. A review mechanism will guarantee that the CBAM phase in takes into consideration eventual distortions in its implementation.

Or. en

Amendment 315

Catherine Griset, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët, Danilo Oscar Lancini

Proposal for a regulation

Recital 19

Text proposed by the Commission

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

(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.

CBAM should be applied to certain goods imported into the customs territory of the Union. ***Overseas territories should benefit from special treatment to avoid any negative effects deriving from the application of the CBAM on their production.***

Or. fr

Amendment 316

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyrali, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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 the WTO rules.***

Or. en

Amendment 317

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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 ***progressively*** applied to goods imported into the customs territory of the Union. ***An extension of the scope will follow the legislative ordinary procedure to provide legal certainty to economic operators.***

Or. en

Amendment 318
Jessica Polfjärd

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 319

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 320

Laura Huhtasaari

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 321
Stanislav Polčák

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 ***located*** in the Union, the CBAM should be applied to certain goods imported into the customs territory of the Union.

Or. cs

Amendment 322
Ondřej Knotek

Proposal for a regulation
Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) In order not to 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 323
Marian-Jean Marinescu

Proposal for a regulation
Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) Notes that a free allowance is not a subsidy under the WTO SCM Agreement (Subsidies Agreement). With regards to exports, free allowances would not constitute a prohibited subsidy under the same agreement.

Or. en

Amendment 324

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

Proposal for a regulation

Recital 20

Text proposed by the Commission

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 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.

(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. ***European SMEs and VSEs should benefit from a derogation system to prevent and limit the administrative burden caused by the implementation of the CBAM.***

Or. fr

Amendment 325

Agnès Evren

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 impose additional excessive administrative burdens on EU companies, particularly SMEs and micro-enterprises*, 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. fr

Amendment 326
Agnès Evren

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

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 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.

system remains manageable for the administrative authorities. ***The system should be carefully supervised by the European central CBAM authority and the national competent authorities to prevent, identify and punish all types of fraud.***

Or. fr

Amendment 327
Christophe Hansen

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, ***especially since the EU-ETS prices already largely exceed the figures used for the impact assessment related to the CBAM legislative proposal.*** 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.

Or. en

Amendment 328
Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

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 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. ***The CBAM should provide a better carbon leakage protection than the existing regulatory framework.***

Or. en

Amendment 329
Laura Huhtasaari

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

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.

administrative authorities.

Or. en

Amendment 330

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 331

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 allowances and provides certainty about the maximum emissions of GHG. The

Amendment

(22) Under the EU ETS, the total number of allowances issued (the ‘cap’) determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The

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

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 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 **import**. 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 332
Laura Huhtasaari

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 333

Nicolae Ștefănuță, Pascal Canfin, Emma Wiesner, Frédérique Ries, Catherine Chabaud, Michal Wiezik, Martin Hojsík

Proposal for a regulation

Recital 22 a (new)

Text proposed by the Commission

Amendment

(22a) The free allocation no longer provided to the CBAM sectors based on this calculation (CBAM demand) must be auctioned and the revenues will accrue to the Innovation Fund rebranded as a Net-Zero Fund, so as to support inter alia innovation in low carbon technologies, and in upscaling relevant technologies in a way that contributes to mitigating climate change consistently with the objectives set out by Regulation (EU)2021/1119. Special attention should be given to projects in CBAM sectors. To respect the proportion of the free allocation available for the non-CBAM sectors, the final amount to deduct from the free allocation and to be auctioned should be calculated based on the proportion that the CBAM demand represents in respect of the free allocation needs of all sectors receiving free allocation.

Or. en

Amendment 334

Nicolae Ștefănuță, Emma Wiesner, Frédérique Ries, María Soraya Rodríguez Ramos, Jan Huitema, Linea Sogaard-Lidell, Martin Hojsík

Proposal for a regulation

Recital 22 b (new)

Text proposed by the Commission

Amendment

(22b) In order to reach climate neutrality, the Union needs to close a significant investment gap as provided in the Communication on a “Strategy for Financing the Transition to a Sustainable

Economy”. To attain our industry decarbonisation objective, breakthrough innovation, upscaling of already existing technologies and enhancement of natural and industrial carbon sinks are needed. To support the in-depth and economy-wide decarbonisation in the Union all those three pillars should be addressed by the EU ETS Innovation Fund, which should be rebranded as the Net-Zero fund.

Or. en

Amendment 335
Sirpa Pietikäinen

Proposal for a regulation
Recital 23

Text proposed by the Commission

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

Amendment

(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, 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. ***Furthermore, the importers should have the option to prove, in accordance with Union standards for MRV, that the carbon content of their products is lower than the benchmark, and avail of a CBAM price adapted accordingly.***

Or. en

Amendment 336

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Maria Spyrali, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation

Recital 23

Text proposed by the Commission

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

Amendment

(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, 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. ***Furthermore, the importers should have the option to prove, in accordance with Union standards for the monitoring, reporting and verification system, that the carbon content of their products is lower than the benchmark, and avail of a CBAM price adapted.***

Or. en

Amendment 337

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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,

Amendment

(23) Given that the CBAM, ***under the import provisions***, applies to imports of goods into the customs territory of the

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.

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 338
Laura Huhtasaari

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 339
Stanislav Polčák

Proposal for a regulation
Recital 23

Text proposed by the Commission

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

Amendment

(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, certain adaptations and simplifications **will** also need to apply in the CBAM regime. One of those simplifications should consist in a **reporting** 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. cs

Amendment 340
Laura Huhtasaari

Proposal for a regulation
Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) Under the export provisions of the CBAM, given that the installations concerned can be easily identified, the CBAM would apply to EU installations. Operators will be provided adjustment allowances resulting from exports that will be either deducted from the amount of allowances above the product benchmark, or by default, the amount of allowances not covered by the fall back benchmarks to be surrendered to the competent authority. 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 341

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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

Text proposed by the Commission

Amendment

(23a) 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 342

Agnès Evren

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

Text proposed by the Commission

Amendment

(23a) In order to encourage cooperation between Member States' national authorities and to ensure consistent application, it is necessary to establish a European central CBAM authority responsible for implementing and

supervising the application of this Regulation.

Or. fr

Amendment 343
Laura Huhtasaari

Proposal for a regulation
Recital 23 b (new)

Text proposed by the Commission

Amendment

(23b) 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 import and export provisions of the CBAM.

Or. en

Amendment 344
Yannick Jadot

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) ***CBAM should be carefully designed and supervised by the CBAM authority and customs authorities, among other things, to prevent, identify and sanction any type of abuse or fraud. Member States and the CBAM authority should apply administrative or criminal sanctions and penalties to infringements of this Regulation and ensure that they are implemented. The amount of the penalties for authorised declarants who fail to surrender, by 31 May of each year, a number of CBAM certificates corresponding to the emissions embedded in goods imported during the previous year or who submit to the authority false***

information related to embedded emissions with a view to obtain a favourable individual treatment 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 345
Laura Huhtasaari

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, **penalties** should apply to infringements of this Regulation and **competent authorities in the EU 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 or absorption practices or in case of repeated infringements of the provisions of the present Regulation, stronger penalties should apply to avoid undermining the effectiveness of the CBAM regime.**

Or. en

Amendment 346
Agnès Evren

Proposal for a regulation
Recital 24

Text proposed by the Commission

(24) In terms of sanctions, **Member**

Amendment

(24) In terms of sanctions, **the**

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.

competent authorities 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. ***However, in the event of circumvention practices or repeated infringements of the provisions of the present Regulation, stronger penalties should apply to avoid undermining the effectiveness of the CBAM.***

Or. fr

Amendment 347
Jessica Polfjärd

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 348
Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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 349

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

**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.

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).

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).

Or. en

**Amendment 350
Laura Huhtasaari**

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.

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).

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 nomenclature^[1]('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).

Or. en

(.[1] *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).*)

Amendment 351
Alexander Bernhuber

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) The product coverage of the CBAM should **prioritise** 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 352
Sirpa Pietikäinen

Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) Setting a product scope for the CBAM reflecting the activities covered by the EU ETS would also contribute to ensuring that imported products are granted a treatment that is not less favourable than that accorded to like products of domestic origin.

Amendment

(27) Setting a product scope for the CBAM reflecting the activities covered by the EU ETS would also contribute to ensuring that imported products are granted a treatment that is not less favourable than that accorded to like products of domestic origin, ***and that importers from third countries should be treated on equal footing and without any discrimination.***

Or. en

Amendment 353
Alexander Bernhuber, Angelika Winzig

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 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. ***Any further extension of the sectors and products covered by the CBAM should take place after an exhaustive scientific analysis and risk assessment, based on the latest available scientific evidence. The potential contribution of such extension, and possible negative effects, as well as the effects on the stability of the internal market, should also be taken into consideration. Nevertheless, it is clear that an further extension to goods whose production depends on goods listed in Annex I, especially agricultural products,***

is 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 354

Yannick Jadot

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

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. ***Before the end of the transition period, the Commission should propose to extend the scope of this Regulation to other sectors than those listed in Annex I, including but not limited to oil, gas, coal, pulp and paper, glass, and ceramics, as well as other inorganic chemicals, and to upstream products within the covered sectors. It should also make a legislative proposal to cover downstream goods within the covered sectors.***

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).

carbon leakage for the period 2021 to 2030
(OJ L 120, 8.5.2019, p. 2).

Or. en

Amendment 355

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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 **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 should be presented by the Commission before the start of 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).

Or. en

Amendment 356
Jessica Polfjärd

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 **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 should 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).

Or. en

Amendment 357
Agnès Evren

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

Amendment

(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 2019/708.

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 2019/708. ***In parallel to the entry into force of the CBAM, the Commission should launch an impact analysis to determine to which further sectors and/or products, in addition to those listed in Annex I, the scope of this Regulation should be extended, at the end of the transitional period.***

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).

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. fr

Amendment 358

Jan Huitema

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 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. ***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 downstream products, as well as the components of finished products that use products covered by this Regulation.***

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).

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 359

Sirpa Pietikäinen

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, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. ***Further, the CBAM may also cover products containing large amounts of these energy-intensive commodities that may be particularly at 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 360**Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi****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, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage ***or circumvention practices***. 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 361**Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët****Proposal for a regulation****Recital 28 a (new)***Text proposed by the Commission**Amendment*

(28a) The Commission should take into account the economic and social effects of the scope of the CBAM and its potential expansion and should propose measures to minimise these effects on European

export producers.

Or. fr

Amendment 362

Agnès Evren

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. ***Special attention should also be paid to the risk of market distortion between the different sectors covered by the CBAM and to the risk of an excessive administrative burden for European enterprises, particularly SMEs and micro-enterprises.***

Or. fr

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 ***and taking into account the complex production processes and deeply integrated value chains of the different 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 those sectors have to be considered in order to avoid economic burdens on these sectors.

Amendment 364

Catherine Griset, Danilo Oscar Lancini, Aurélia Beigneux, Joëlle Mélin, Mathilde Androuët

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, ***particularly for SMEs and VSEs.*** 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. ***fourthly, the impact of Covid-19 on global supply chain disruption and the rise in raw materials prices.***

Or. fr

Amendment 365

Dolors Montserrat

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. ***Account should also be taken of the need to have a balanced scope of goods covered under this Regulation to avoid market distortions among the different sectors affected.***

Or. en

Amendment 366

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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

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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.

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Or. en

Amendment 367 Frédérique Ries

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

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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.

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Or. en

Amendment 368
Radan Kanev

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

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

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.***

Or. en

Amendment 369

Rovana Plumb

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.

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(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***

Or. en

Justification

It is important that the CBAM does not create distortions on the EU Internal market.

Amendment 370

Deirdre Clune

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.

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Or. en

Amendment 371

Jessica Polfjärd

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 **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 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 372

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis

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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, 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 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 373
Mohammed Chahim

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, *aluminium, organic basic chemicals, hydrogen and polymers, refineries* and fertilisers.

Or. en

Amendment 374
Michal Wiezik

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, **pulp and paper**, organic basic chemicals, and fertilisers.

Or. en

Amendment 375
Alexander Bernhuber

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 **and** organic basic chemicals.

Or. en

Amendment 376
Frédérique Ries

Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) In particular, the cement sector is primarily a local production sector with a low trade intensity , however European companies are very dependent on the import of clinker, one of the essential components of cement, which means this sector is indeed exposed to very high carbon costs and that justifies a similar

scheme to that of other sectors covered by the Regulation.

Or. en

Justification

Removing free allocation with immediate effect from 2025 for the cement sector as proposed by the rapporteur would create considerable investment uncertainty. It would double the costs of producing cement in the EU overnight, causing a major disruption in a sector supplies a key value chain for example for the construction market.

Amendment 377
Alexander Bernhuber

Proposal for a regulation
Recital 30 a (new)

Text proposed by the Commission

Amendment

(30a) In addition, certain agricultural basic commodities are also to fall within the scope of this Regulation, with specific provisions applying here.

Or. en

Amendment 378
Alexander Bernhuber

Proposal for a regulation
Recital 30 b (new)

Text proposed by the Commission

Amendment

(30b) The Union's agricultural sector is one of the most productive and advanced in the world in terms of its commitment to climate and environmental protection. European food is already a global standard for food that is safe, plentiful, nutritious and of high quality. However, one of the main challenges it will face once the European Green Deal strategies are developed is climate dumping from countries that make slow progress in

adopting their greener agricultures. Therefore, the scope of the CBAM should be extended to some agricultural basic commodities. The inclusion of agricultural products in the scope of the CBAM is all the more important as the agricultural sector will be both directly and indirectly affected by the inclusion of other products, notably fertilisers, steel and aluminium.

Or. en

Amendment 379
Alexander Bernhuber

Proposal for a regulation
Recital 30 c (new)

Text proposed by the Commission

Amendment

(30c) Since fertilisers are used exclusively for agricultural production, it seems appropriate to create separate provisions for some agricultural basic commodities. In order to create a level-playing field with regard to the production of the main agricultural basic commodities, a CO2 border adjustment should also take place here.

Or. en

Amendment 380
Alexander Bernhuber, Angelika Winzig

Proposal for a regulation
Recital 30 d (new)

Text proposed by the Commission

Amendment

(30d) The Commission will determine the main agricultural basic commodities produced with the use of fertilisers, in relation to their import volume. These agricultural basic commodities are to be

subject to CO2 pricing based on a standard value with regard to the use of fertilisers in the respective country of origin. Therefore, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the determination of the main agricultural basic commodities produced using fertilisers, in relation to their import volume, and in respect of the establishment of a calculation method for determining a standard value in relation to the use of fertilisers of the main agricultural products.

Or. en

Amendment 381

Yannick Jadot

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 382

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 the refining industry.***

Or. en

Amendment 383

Edina Tóth

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

Amendment 384
Mohammed Chahim

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 **yet** 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. ***The Commission should find a technical solution for this before the end of the transition period, as refineries are highly emitting and should be part of the scope of this Regulation.***

Or. en

Amendment 385
Hermann Tertsch, Pietro Fiocchi

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. ***Commission shall develop during the transition period a fair methodology to calculate the embedded emissions from refining products.***

Or. en

Amendment 386
Yannick Jadot

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) ***Some*** 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.

Or. en

Amendment 387

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 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 388
Deirdre Clune

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 may be extended to cover also indirect emissions in the future. *A specific benchmark for alumina product shall be needed to assess the reality of the value chain and ensure EU strategic autonomy for raw materials. Indirect emissions coming from raw material extraction and transformation should not be taken into account in embedded emissions calculation so that it does not compete unfairly with secondary materials.*

Or. en

Amendment 389
Yannick Jadot

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 ***CBAM covers*** also indirect emissions.

Or. en

Amendment 390

Michał Wiezik

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 also ***counts for*** indirect emissions.

Or. en

Amendment 391

Christian Doleschal, Angelika Niebler

Proposal for a regulation

Recital 34 a (new)

Text proposed by the Commission

Amendment

(34a) 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 392
Stanislav Polčák

Proposal for a regulation
Recital 35

Text proposed by the Commission

Amendment

(35) Similarly, tubes and pipe fittings should be included in the scope of the CBAM despite their low level of embedded emissions, as their exclusion would increase the likelihood ***of circumventing the enclosure*** of steel products in the CBAM ***by modifying the pattern of trade towards downstream products.***

(35) Similarly, tubes and pipe fittings should be included in the scope of the CBAM despite their low level of embedded emissions, as their exclusion would increase the likelihood ***that the inclusion*** of steel products in the CBAM ***will be circumvented by way of structural modifications.***

Or. cs

Amendment 393
Michal Wiezik

Proposal for a regulation
Recital 35 a (new)

Text proposed by the Commission

Amendment

(35a) Sectors of pulp and paper should not be excluded from the mechanism. Carbon stored in the ecosystems that provide biomass is an intrinsic element of the climate change mitigation and adaptation. The Commission should by the end of transition period assess whether carbon embedded in the short

lived harvested wood products, accounted for in the land use, land use change and forestry sector should be covered by this Regulation. Carbon undergoing instantaneous oxidation in the biomass installations using woody biomass to produce electricity, included in cogeneration, should be included in the scope of this Regulation.

Or. en

Amendment 394
Laura Huhtasaari

Proposal for a regulation
Recital 35 a (new)

Text proposed by the Commission

Amendment

(35a) 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 395
Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation
Recital 35 a (new)

Text proposed by the Commission

Amendment

(35a) 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 396

Yannick Jadot

Proposal for a regulation

Recital 36

Text proposed by the Commission

Amendment

(36) Conversely, this Regulation should not apply to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code 7204), ferro-alloys (CN code 7202) and certain fertilisers (under CN code 3105 60 00). **deleted**

Or. en

Amendment 397

Hermann Tertsch, Pietro Fiocchi

Proposal for a regulation

Recital 36

Text proposed by the Commission

Amendment

(36) Conversely, this Regulation should not apply to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code 7204), ferro-alloys (CN code 7202) and certain fertilisers (under CN code 3105 60 00).

(36) Conversely, this Regulation should not apply *at a first stage* to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code 7204), ferro-alloys (CN code 7202) and certain fertilisers (under CN code 3105 60 00).

Or. en

Amendment 398

Carlo Calenda

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission

Amendment

(36a) *Where the periodic assessment based on the data collected by the Commission shows that the CBAM does not effectively protect products against carbon leakage, further phase-in of CBAM and phase-out of free allocation of emissions allowances should be temporarily suspended until an effective solution can be found.*

Or. en

Amendment 399
Laura Huhtasaari

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission

Amendment

(36a) *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 400
Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission

Amendment

(36a) *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 401

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

**Proposal for a regulation
Recital 36 b (new)**

Text proposed by the Commission

Amendment

(36b) 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 402
Laura Huhtasaari**

Proposal for a regulation
Recital 36 b (new)

Text proposed by the Commission

Amendment

(36b) 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 403
Michal Wiezik

Proposal for a regulation
Recital 37

Text proposed by the Commission

Amendment

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition would increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours would increase the risk of carbon leakage

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition would increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours would increase the risk of carbon leakage

due to increased imports of electricity, a significant part of which is produced by coal-fired power plants.

due to increased imports of electricity, a significant part of which is produced by coal-fired power plants. ***Given that the coal-to-biomass conversion is one of the envisaged scenarios of the transition, this could have significant consequences for land use sector. Depending on the type of biomass use the coal-to-biomass conversion could result in negative carbon savings. The carbon embedded in the process of combustion of biomass is newly included in the EU ETS. Respective values of emission intensity of the Union energy mix comprising bioenergy plants burning wood, including in form of pellets, are used as default values to determine the reference value for embedded emissions. When the authorised declarant is charged on the basis of actual emissions, the carbon embedded in the process of combustion of woody biomass should be included.***

Or. en

Amendment 404
Stanislav Polčák

Proposal for a regulation
Recital 37

Text proposed by the Commission

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition **would** increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours **would** increase the risk of carbon leakage due to increased imports of electricity, a significant part of which is produced by coal-fired power plants.

Amendment

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition **could** increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours **could** increase the risk of carbon leakage due to increased imports of electricity, a significant part of which is produced by coal-fired power plants.

Amendment 405

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Cristian-Silviu Buşoi, Dolors Montserrat

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 the **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 406

Edina Tóth, Enikő Győri

Proposal for a regulation

Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) The Commission should prepare a report 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

Amendment 407
Alexandr Vondra

Proposal for a regulation
Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) The Commission should prepare a report 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

Amendment 408
Christophe Hansen

Proposal for a regulation
Recital 38 a (new)

Text proposed by the Commission

Amendment

(38a) The Commission should ensure that any additional administrative burden

and financial costs related to the declaration and reporting obligations under this Regulation, can be compensated, in order to avoid potential trade barriers and to ensure the WTO compatibility of the mechanism.

Or. en

Amendment 409
Stanislav Polčák

Proposal for a regulation
Recital 39

Text proposed by the Commission

(39) The CBAM should be based on a **declarative** system where an authorised declarant, who may represent more than one importer, submits annually a declaration of the embedded emissions in the goods imported to the customs territory of the Union and surrenders a number of CBAM certificates corresponding to those declared emissions.

Amendment

(39) The CBAM should be based on a **reporting** system where an authorised declarant, who may represent more than one importer, submits annually a declaration of the embedded emissions in the goods imported to the customs territory of the Union and surrenders a number of CBAM certificates corresponding to those declared emissions.

Or. cs

Amendment 410
Pietro Fiocchi

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, **but only if such jurisdictions make provision for a free energy market.**

Or. it

Amendment 411

Luisa Regimenti, Fulvio Martusciello, Aldo Patriciello, Massimiliano Salini, Salvatore De Meo

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, ***but only if such jurisdictions make provision for a free energy market.***

Or. it

Amendment 412

Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 ***import*** 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.

Or. en

Amendment 413
Laura Huhtasaari

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 414
Stanislav Polčák

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

Amendment

(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.

daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. **However**, 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.

Or. cs

Amendment 415
Laura Huhtasaari

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 416
Danilo Oscar Lancini, Elena Lizzi, Catherine Griset, Rosanna Conte, Silvia Sardone, Matteo Adinolfi, Gianantonio Da Re

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 417
Yannick Jadot

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. It should be possible for authorised declarants to claim the calculation of their CBAM obligations based on actual **verified** emissions. **Default values should only be used if data on actual emissions is unavailable.** 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

Amendment 418
Stanislav Polčák

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. Default values should be used as a standard approach, **but** 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 **takes place** 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. cs

Amendment 419
Jessica Polfjärd

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

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.

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 **and fossil free** electricity, or between the purchaser and the producer of electricity having lower than default value emissions.

Or. en

Amendment 420

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyrali, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

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, 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 **and low carbon** electricity, or between the purchaser and the producer of electricity having lower than default value emissions.

Or. en

Amendment 421

Christian Doleschal, Angelika Niebler

Proposal for a regulation

Recital 46 a (new)

(46a) To reduce the risk of carbon leakage as well as to ensure a level playing field for European industry, all practices of circumvention should be prohibited. The Commission should 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 should 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 should be empowered to adopt delegated acts to strengthen anti-circumvention measures when appropriate.

Or. en

Justification

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 422

Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation

Recital 46 a (new)

(46a) This regulation prohibits practices of circumvention where a change in the

pattern of trade between third countries and the Union 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 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 payment of the levy.

Or. en

Amendment 423

Adam Jarubas

on behalf of the EPP Group

Esther de Lange, Ewa Kopacz, Deirdre Clune, Agnès Evren, Maria Spyraiki, Radan Kanev, Liudas Mažylis, Pernille Weiss, Cristian-Silviu Buşoi, Dolors Montserrat

Proposal for a regulation

Recital 46 a (new)

Text proposed by the Commission

Amendment

(46a) To reduce the risk of carbon leakage as well as to ensure a level playing field for European industry, all practices of circumvention should be prohibited. The Commission should evaluate the risk of circumvention practices in all sectors included in Annex I, especially the likelihood of transshipment, 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 . The Commission should be

empowered to adopt, when appropriate, delegated acts to strengthen anti-circumvention measures .

Or. en

Amendment 424
Jessica Polfjärd

Proposal for a regulation
Recital 46 a (new)

Text proposed by the Commission

Amendment

(46a) 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 425
Hermann Tertsch, Alexandr Vondra, Pietro Fiocchi

Proposal for a regulation
Recital 46 b (new)

Text proposed by the Commission

Amendment

(46b) Reporting, verification, traceability and monitoring are key aspects for a

proper functioning of the CBAM. A clear and quick procedure will be set up to ensure that when a possible circumvention or a lack of CBAM compliance occurs, that they are solved in a reduced time to avoid both circumvention but also trade disruptions.

Or. en

Amendment 426

Liudas Mažylis, Andrius Kubilius, Danuta Maria Hübner, Michael Gahler, Ladislav Ilčík, Petras Auštrevičius, Ondřej Knotek, Martin Hlaváček

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 427

Yannick Jadot

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

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 Union recognised nuclear safety levels and the standards of responsible and safe management of spent fuel and radioactive waste should be prevented from entering the Union electricity market.

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).

of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24).

Or. en