



IKEA comments on the Carbon Border Adjustment Mechanism – authorising CBAM declarants

IKEA welcomes a well-designed pragmatic legislation to prevent carbon leakage, clearly defining obligations companies are realistically able to fulfil. This will ensure companies are progressing toward their climate targets and are able to maintain their competitive position on the domestic and international markets, while non-EU producers are incentivised to reduce their emissions.

Sustainability is deeply rooted in our vision to create a better everyday life for the many people, and we support the European Green Deal initiative to combat climate change and the efforts to make the European Union climate neutral by 2050. The Carbon Border Adjustment Mechanism (CBAM) is an important, pragmatic, and necessary step in promoting global efforts to combat global warming.

With this in mind, we want to share our experience based views regarding implementing regulation of CBAM, with focus on the conditions and procedures related to the status of authorised CBAM declarants. For multinational businesses like IKEA, reducing administrative burden are important to ensure more effective and efficient implementation of the legislation.

The procedures and conditions authorising CBAM declarants have a direct impact on internal processes and resources in companies and corresponding competent authorities. IKEA operates a full value chain in 63 markets, resulting in substantial administrative burdens for various reporting requirements. In our experience gained through the operation of global goods flows, we would like to share the following insights for the European Commission to consider during the development of processes and tools aimed at authorizing CBAM declarants:

Centralization of reporting As a global retailer, we will be reporting in many European markets. One key action that can greatly reduce the administrative burden is to establish one common declaration tool enabling a log on to a single account, where multiple country reports can be filed. Central purchasing of CBAM certificates from 2026 is also needed to mitigate the potential complexity of having to purchase separate certificates in each reporting country. Centralisation on the end of the reporting rather than the company will establish a much more efficient process for companies and the competent authorities.

Application processing timeline Since a new reporting portal will be established for competent authorities to receive and process all applications, a one year timeline is likely to prove challenging. We anticipate an application handling process to take in excess of 135 days (15+120+ x additional handling days as stated in the draft implementing regulation). It will take time for both the companies and competent authorities to become familiar with and efficient in the use of the new reporting portal. The processing time itself is lengthy. The National Competent Authorities will receive a

massive inflow of applications within 2025. This poses a significant risk to authorisations not being issued until after January 2026.

Simplified application for AOEs A simplified application procedure would enable a more efficient and accelerated process for Authorised Economic Operators (AEOs) who are an already trusted trader. By applying the mutual recognition principle, verification processes can be simplified, eliminating complex applications.

Submission in the applicant's country of main operation Easing the administrative burden for multinational companies and opening for the possibility for the Economic Operator (EOs) to submit applications to the Competent authorities in the country with main accounts of the EOs or at least part of the activities covered by the decision are to be carried out as per UCC, Article 22 (1), 3rd subparagraph is a preferred solution. Already today, this is effective for Binding Tariff Information (BTI).

Clear rules for non-EU resident importers More information and clarification is needed for importers not established in a Member State who wish to become authorised CBAM declarants and what is the possibility for those to represent another EO. Today, the draft implementing act, Article 1(3), states that: "Where the applicant is a legal person established in a third country and is in one of the situations referred to in Article 5, point (31)(b), of Regulation (EU) 952/2013 of the European Parliament and of the Council⁴, the applicant shall provide its address in that third country and its address of establishment in the Member State where the application is submitted." But this does not provide information of the purpose of giving that information, nor if a non-EU resident company can become an authorised CBAM declarant.

Under the CBAM legislation the declarant is responsible for reporting, forecasting of emissions and future acquisition of certificates and carbon offsets. The declarant is currently defined as only residents of the EU. However, not all importers into the EU are residents of the EU and companies in countries such as Norway, Switzerland or UK would have to set up permanent establishment in the EU, or ask their multiple services providers to take on the risk of legal liability on the companies' behalf, which would add even more administrative, financial and resources burdens. As the legislation already provides for carbon offset allowances for countries such as Norway and Switzerland, as a minimum, we ask the Commission to consider these non-EU resident importers of countries within the Schengen or EFTA areas as declarants for CBAM purposes, and as such, included in the definition of a declarant.

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About IKEA

IKEA offers well-designed, functional, and affordable, high-quality home furnishing, produced with care for people and the environment. There are several companies with different owners, working under the IKEA Brand, all sharing the same vision: to create a better everyday life for the many people. IKEA was founded in Sweden in 1943.

About Inter IKEA Group

Inter IKEA Group includes Inter IKEA Systems B.V., IKEA of Sweden AB, IKEA Supply AG, IKEA Industry AB, and related businesses. Inter IKEA Holding B.V. is the holding company for the Inter IKEA Group.

About the IKEA franchise System

The IKEA retail business is operated through a franchise system with franchisees that are authorized to market and sell the IKEA product range within specified geographical territories. Inter IKEA Systems B.V. is the owner of the IKEA Concept and worldwide IKEA franchisor, who also assigns different IKEA companies to develop the range, supply products and deliver communication solutions. Today, 12 different groups of companies own and operate IKEA sales channels under franchise agreements with Inter IKEA Systems B.V.

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