

탄소국경조정제도

SINIRDA KARBON DÜZENLEME

موازنه کاربنی مېکانیزم د سرحدي رډرېاب نېټه

MEKANIZMASI'NA

MECANISMO DE AJUSTE

МЕХАНІЗМ ВУГЛЕЦЕВОГО

EN FRONTERA POR CARBONO

КОРИГУВАННЯ ІМПОРТУ

碳边境调节机制

CBAM

कार्बन सीमा समायोजन तंत्र

MECANISMO DE AJUSTAMENTO
CARBÓNICO FRONTEIRIÇO

MÉCANISME D'AJUSTEMENT
CARBONE AUX FRONTIÈRES

炭素国境調整措置

MEKANISME

PENYESUAIAN BATAS KARBON

ISIXHOBO SOKUHLENGAHLENGISA UMDA WE-KHABON

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CARBON BORDER ADJUSTMENT MECHANISM

The transitional phase is now in progress

CBAM in a snapshot

Takes into account carbon pricing paid in third countries

Addressed to companies, not countries, based on actual carbon content of imported goods



Aligned with EU's international policies and legal commitments, including WTO compatibility and all agreements under the UNFCCC

An environmental measure to complement EU ETS and prevent the risk of carbon leakage

Mirrors EU ETS by applying our carbon price on imported goods

What are the sectors in scope?



IRON & STEEL



ALUMINIUM



CEMENT



FERTILISER



HYDROGEN



ELECTRICITY

Selected on the basis of 3 criteria:

- ✓ *High risk of carbon leakage (high carbon emissions; high level of trade)*
- ✓ *Covering large share of greenhouse gas emissions of EU ETS sectors*
- ✓ *Practical feasibility*

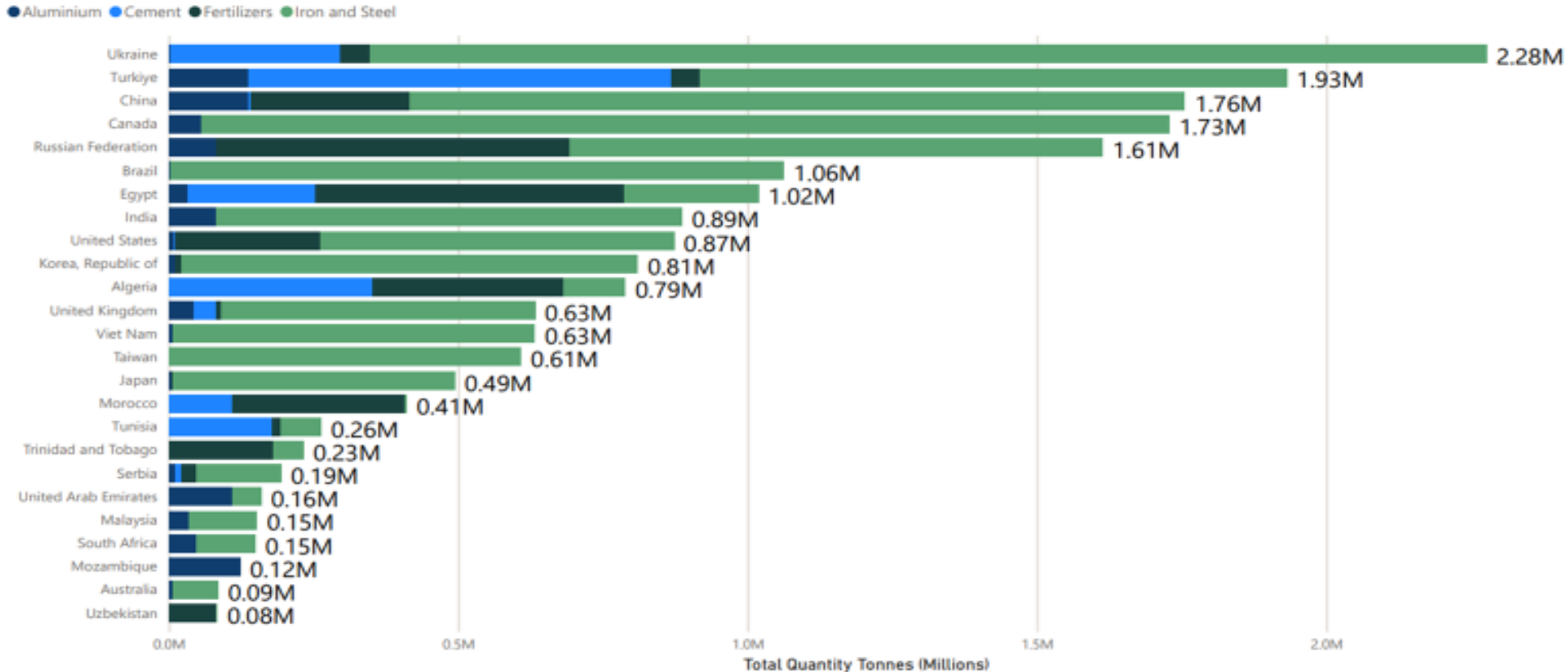
Exclusions (countries linked with the EU ETS)

- In the future, **scope may be extended to a limited list of ETS sectors at risk of carbon leakage** (such as refined petroleum products and organic chemicals), provided that such an extension is justified based on selected criteria

Top exporters of CBAM goods to the EU

Top 25 Countries by Total Quantity declared

(of portrayed CBAM goods, as of 29-02-2024)



Source: Submitted Reports via the Transitional CBAM Registry (by 29-02-2024). **DISCLAIMER: DATA PRESENTED IS PRELIMINARY AND SUBJECT TO MODIFICATION.**

Gradual implementation of CBAM

Transitional period
October 2023 - December 2025

Post-transitional period
January 2026 onwards

2023

2024

2025

2026

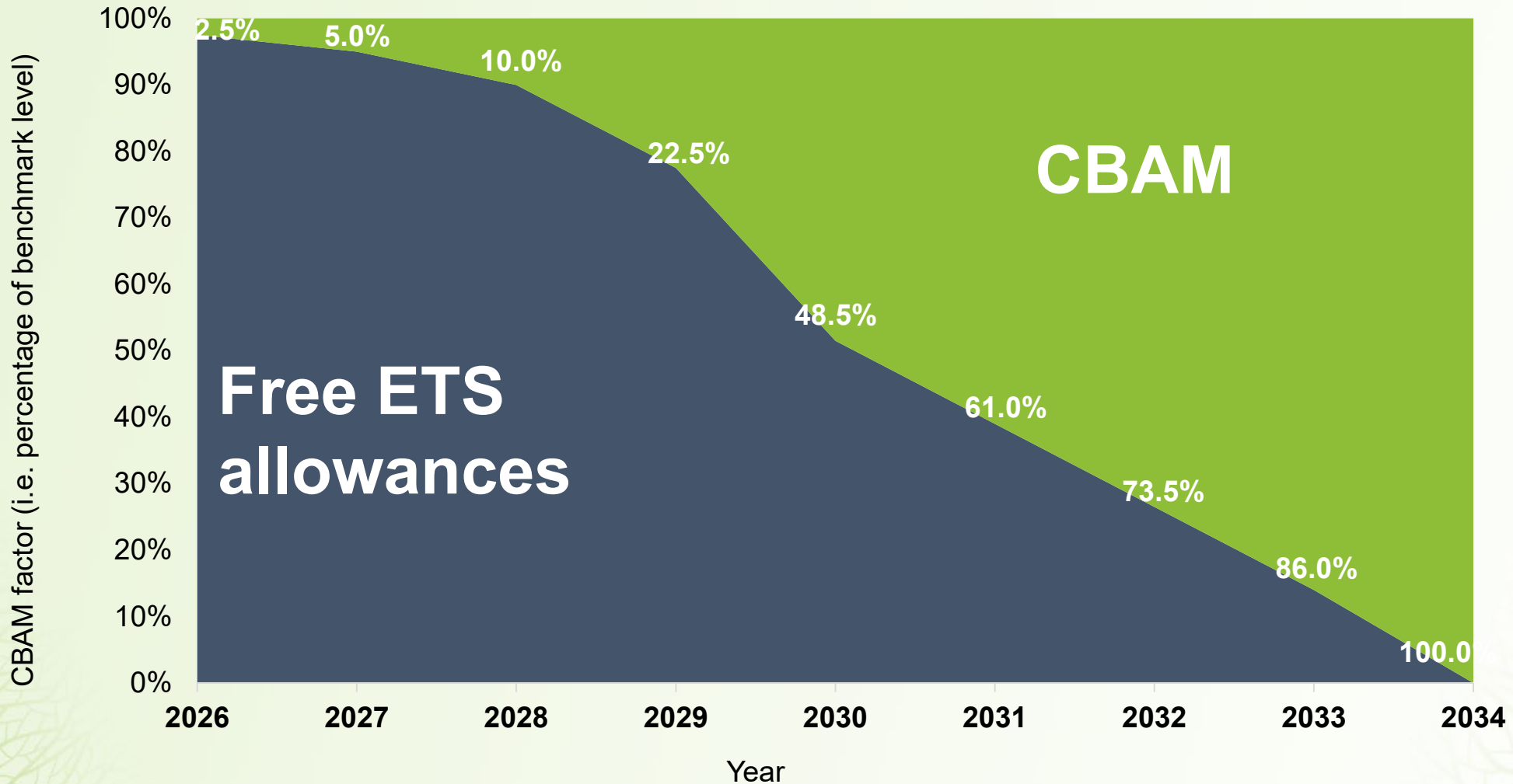
Monitoring and reporting
(Implementing Regulation (EU) 2023/1773)

Review 2025

- Assessment feasibility / proportionality of scope extension post 2026, including to
 - a limited set of EU ETS sectors at risk of carbon leakage (e.g. refineries/ chemicals);
 - a selected number of downstream products which contain a high share of basic CBAM goods;
 - indirect emissions
- Impact on LDCs
- Progress in international climate discussions

Start of **gradual phase-in of CBAM**/phase-out of free ETS allocation

Phasing-out of free allocation and phasing-in of CBAM



Objectives of the CBAM transitional period

■ **The transitional period is a **learning** phase for all:**

- Understanding respective roles and tasks
- Collection of information
- Facilitate smooth roll-out of the mechanism after the transitional period

■ The information collected will allow the European Commission to **further specify and finalise the methodology and find synergies** with existing monitoring schemes

■ The information collected will feed into **the review by 2025** and provide further clarity of the functioning

■ **Reporting flexibilities** reflect the above and aim to introduce openness and balancing a smooth introduction with information needs

What are the reporting obligations in the transitional period?



Report to be submitted quarterly by EU importer

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



Information on emissions and price to be communicated by third country producer to EU importer.

Yearly reference period can be used.

No verification of emissions by EU-accredited verifier



No CBAM certificates

Flexibilities for the calculation of embedded emissions

- Until 31 July 2024, for each import of goods for which the reporting declarant does not have all the information listed in Article 3(2), the reporting declarant may use **other referenced methods for determining the emissions, including default values**
- Until 31 December 2024, **other monitoring and reporting methods may be used, if they lead to similar coverage and accuracy**. They could be based on:
 - a carbon pricing scheme where the installation is located, or
 - a compulsory emission monitoring scheme where the installation is located, or
 - an emission monitoring scheme at the installation which can include verification by an accredited verifier
- Without time limit, use of **estimations for up to 20% of the total embedded emissions of complex goods**

Implementation challenges



Ensuring compliance with
CBAM (both importers and
exporters)



Reducing the
administrative burden



Complementarity and
alignment with other
international measures



External dimension
of carbon leakage

Ongoing work (I)



Accreditation and Verification

Implementing Act on accreditation scope and verification principles

Delegated Act on accreditation process



Default values for the definitive CBAM period



Rules for free allocation adjustment

Implementing Act



Carbon price effectively paid in third countries

Implementing Act

Ongoing work (II)



Potential CBAM scope extension to more downstream goods

Report to co-legislators



Potential CBAM scope extension to other CBAM goods

Report to co-legislators



CBAM methodologies for calculating embedded emissions after transitional period

Implementing Act



Calculation of embedded emissions in imported electricity

Implementing Act



Indirect emissions

Report to co-legislators and Implementing Act