



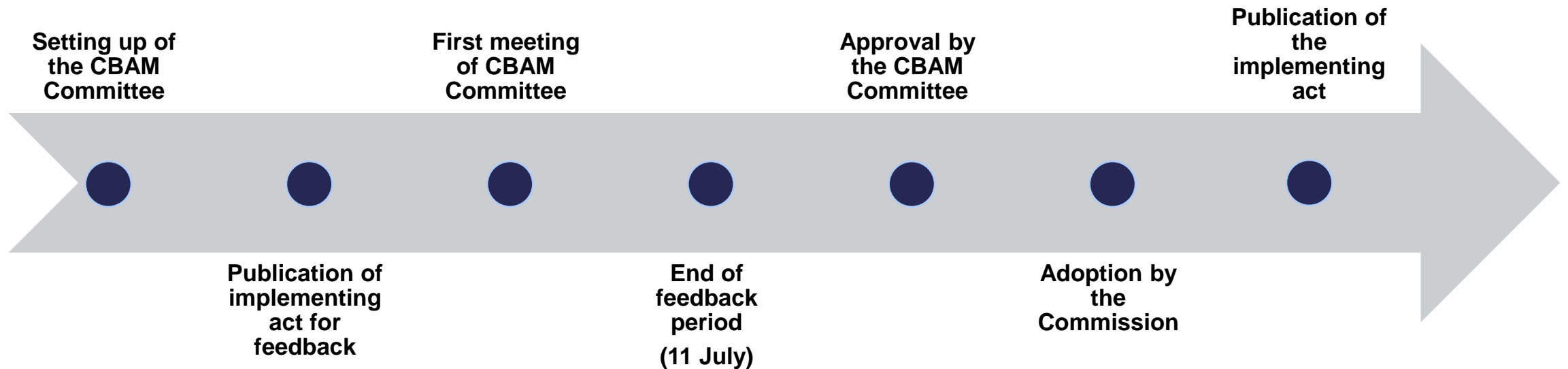
Carbon Border Adjustment Mechanism

5th Meeting of the Informal Expert Working Group on CBAM

16 June 2023

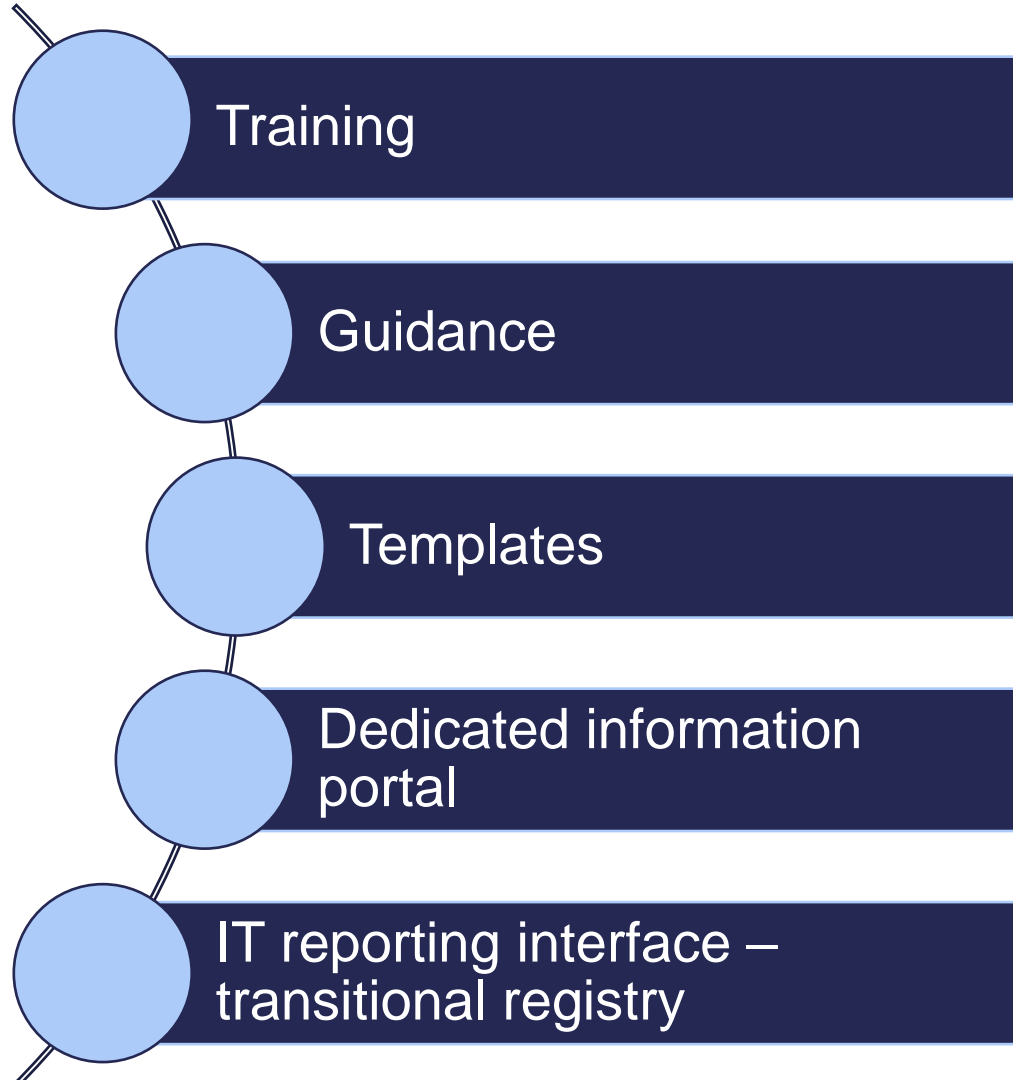
CBAM Transitional Period

Key milestones ahead



Guidance and support by the Commission

Parallel communication and training



- E-learning (General and sector specific)
- Webinars
- Training for EU National Authorities

- Tailored guidance documents for
- Producers in third countries
 - Reporting declarants

Excel based templates to facilitate data collection and information exchange

Launch of dedicated Commission website with all information specialised Q&A and “how to find” guidance

- Dedicated IT interface for reporting and collection of information
- Detailed guidance for users

Reporting obligations in the transitional phase and what's coming later: a recap

Transitional phase October 2023 - December 2025

- ❑ **CBAM report containing the following:**
 - Total quantity of goods imported during the preceding quarter
 - Total embedded direct and indirect emissions in those goods
 - The carbon price due in the country of origin for the embedded emissions

→ **Report to be submitted each quarter**

Post transitional phase January 2026 onwards

- ❑ **CBAM declaration containing the following:**
 - Total quantity of goods imported during the preceding calendar year
 - Total embedded emissions in those goods
 - Emissions to be verified by EU accredited verifier
 - Total number of CBAM certificated to be surrendered
 - The carbon price effectively paid in the country of origin for the embedded emissions

→ **Declaration to be submitted each year**

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Principles of our approach

- 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 2025
- Information collected will allow to further specify and finalise methodology and find synergies with existing monitoring schemes
- Information collected will feed into the review of the mechanism and provide further clarity of the functioning
- Flexibilities reflect the above and aim to introduce openness and balancing a smooth introduction with information needs

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How to submit a report

Who is the responsible for the reporting

- The reporting declarant
- **Same as the authorised CBAM declarant but not authorisation needed yet**

How can the reporting declarant submit a report

- **Gain access to the CBAM transitional registry** – request log-in via portal
- Fill out **mandatory fields** in the registry
- Indicate if reporting is **by importer or on behalf of an importer**
- Submit the report **no later than 1 month after the quarter**

Is there flexibility for the submission?

- **Yes** – A report can be modified **2 months after the reported quarter**
- For the first two CBAM reports (due Jan and April 2024) modification is accepted until **July 2024** (deadline of third report)
- After the deadlines possibility to request reopening for correction

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Where the information is coming from

Role of third country operators of installation

- **Monitor and collect data** on embedded emissions – Possibility to use templates and guidance docs provided by the Commission
- **Communicate** data to reporting declarants – Possibility to use templates provided by the Commission
- Is verification needed: **Not yet!**

What information is necessary to be communicated for the reporting

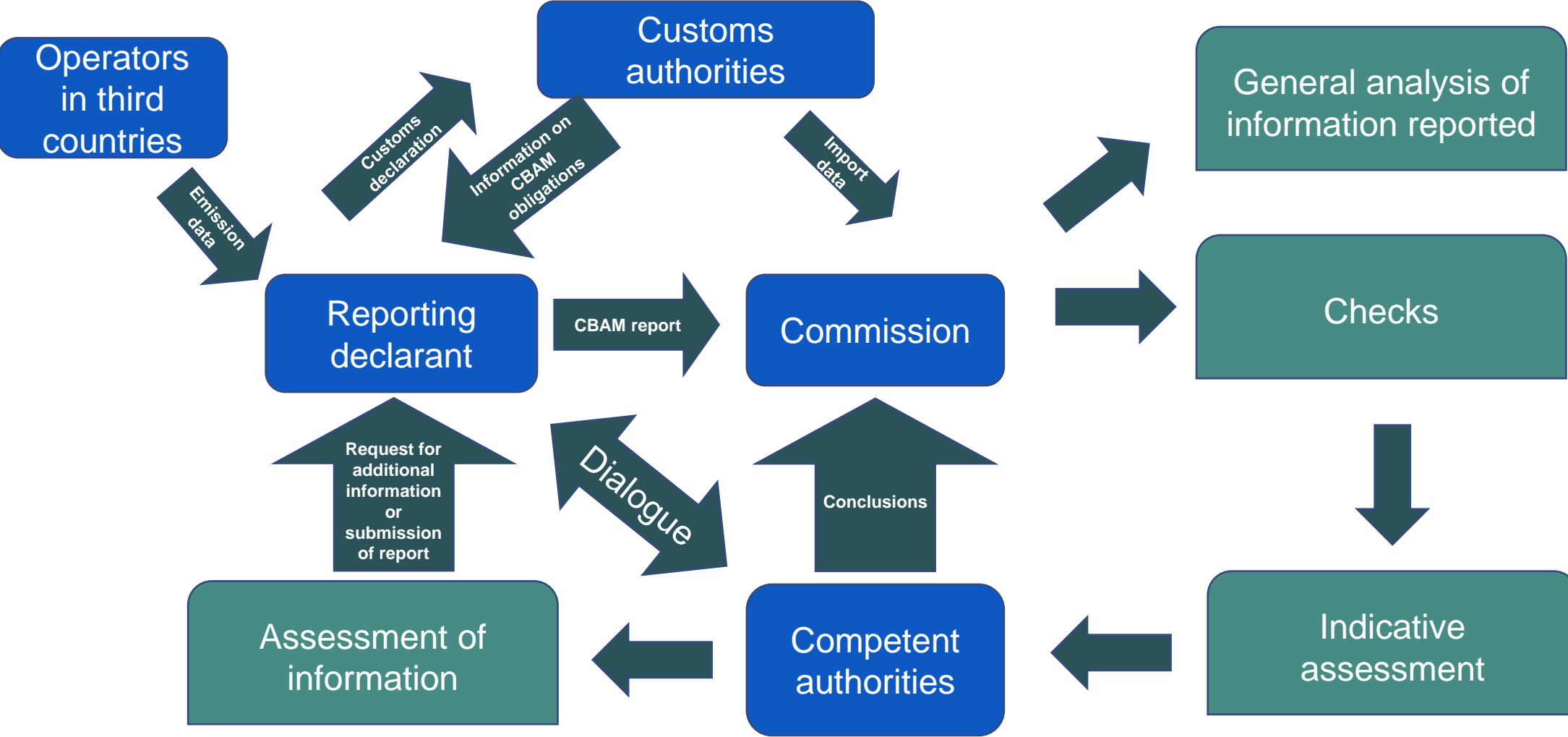
- **Information on the goods:** Quantity / Type identified by CN code (8-DIGIT) / Country of origin
- **Info on the installation:** Company name / Address / Location / Geo coordinates
- **Info on the production:** Routes / Parameters
- **Information the emissions:** Specific direct and specific indirect
- **Information on carbon price paid** at production country (also for precursors)

Are there flexibilities?

Yes

- **Until 31 December 2024**
 - Methods used under monitoring, reporting and verification systems
 - OR methods used in case of (a) carbon pricing scheme, (b) emission monitoring scheme at the installation or (c) compulsory monitoring scheme
- **Until 31 July 2024** : any other referenced method
- **Possibility to use default values for input materials or subprocesses** when relatively minor (<20%) compared to total emissions

The interaction between the Commission and the EU National Authorities



Implementing Acts

Q3 - 2023

- Transitional period (art 35)
- Reporting obligations
- Reporting infrastructure

Q3 -2024

- Authorisation of declarants (art 5 &17)
- CBAM registry (art 14)
- Accreditation of verifiers (art18)
- Verification (art 8)

Q2-2025

- Continental shell (art 2)
- CBAM declaration (art 6)
- Methodology (art 7)
- Indirect emissions (annex IV)
- Carbon price paid (art 9)
- Average ETS price (art 21)
- Customs info (art 25)
- Free allocation (art 31)

Delegated Acts

Q3 - 2024

- Accreditation of verifiers (art 18)
- Selling and repurchasing of certificates (art 20)

If necessary

- Updating list of exempted countries (art 2)
- Additional rules on electricity (art 2)
- Anti circumvention (art 27)



Thank you!

Do you have any questions?