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PARLNAT

DRAFT MINUTES
COUNCIL OF THE EUROPEAN UNION¹
(Economic and Financial Affairs)
12 June 2026

¹ In the presence of the President of the EIB.

1. Adoption of the agenda

The Council adopted the agenda set out in document 9815/26.

2. Approval of "A" items

a) Non-legislative list

9823/26

The Council adopted all "A" items listed in the document above, including all linguistic COR and REV documents presented for adoption.

Legislative deliberations

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

3. Regulation on the extension of the scope of CBAM to downstream goods and on anti-circumvention measures *General approach*



10208/26 +
ADD 1
10209/26

The Council reached a general approach on the above-mentioned Regulation.

Statements by Estonia, Germany, and Malta are set out in the Annex.

4. Market integration and supervision package



9891/26

a) Directive on further development of capital market integration and supervision within the Union

b) Regulation on further development of capital market integration and supervision within the Union

c) Settlement Finality Regulation *Policy debate*

The Council held a policy debate on the Market integration and supervision package.

5. Any other business

a) Current financial services legislative proposals *Information from the Presidency*

9814/26

The Council took note of the information provided by the Presidency about the ongoing work on financial services legislative proposals.

Non-legislative activities

6. Economic and financial impact of Russia's aggression against Ukraine
Exchange of views
7. Economic recovery in Europe
Council Implementing Decision under the Recovery and Resilience Facility
(Legal basis: Article 20 Regulation (EU) 2021/241)
Adoption
8. European Semester 2026: Spring Package
Presentation by the Commission
Exchange of views
9. Implementation of the economic governance framework
- a) National escape clause: Council Recommendation
(Legal basis: Regulation (EU) 2024/1263)
- b) Council Decision under the Excessive Deficit Procedure
(Legal basis: Article 126(12) TFEU)
Adoption
10. Any other business



First reading



Item based on a Commission proposal

Statements to the legislative "B" item set out in doc. 9815/26

Ad “B” item 3: Regulation on the extension of the scope of CBAM to downstream goods and on anti-circumvention measures
General approach

STATEMENT BY ESTONIA

Estonia supports the Carbon Border Adjustment Mechanism (CBAM) as an important instrument for preventing carbon leakage, safeguarding the competitiveness of EU industry and contributing to global emissions reductions.

As a small and highly open economy, Estonia attaches particular importance to ensuring that any future extension of CBAM remains proportionate, targeted and administratively workable. While measures addressing genuine risks of carbon leakage and circumvention may be justified in certain downstream sectors, extending CBAM obligations to widely traded consumer goods and products with complex global value chains could create significant compliance costs for businesses, additional burdens for customs and national authorities, and increased administrative complexity with limited additional climate benefits.

Estonia supports extending CBAM to downstream products where there is a significant climate impact, a clear risk of carbon leakage or circumvention, and a strong link to CBAM-covered materials. The selection of additional products should be based on objective criteria and supported by a proper assessment of their impacts, including potential effects on prices, compliance costs, administrative burdens and supply chains, particularly in smaller and import-dependent Member States.

For a number of products proposed during the negotiations beyond the Commission's original proposal, these impacts have not been sufficiently assessed. In light of these concerns, Estonia abstains on the General Approach. Estonia considers that any future expansion of CBAM should follow a gradual and evidence-based approach, guided by practical implementation experience and comprehensive impact assessments and ensuring that the scope of the mechanism remains focused on products and sectors where it can most effectively contribute to its climate and competitiveness objectives.

STATEMENT BY GERMANY

We would like to thank the Presidency and the Commission for the constructive work on the file.

From the German perspective, the draft submitted is an acceptable compromise. It is important to enter into trilogue negotiations now. It is particularly important for industry that downstream extension and circumvention risks are addressed now.

We would like to raise the following points:

In the context of the downstream extension, it is important for us that MS are closely involved in the trilogue negotiations. As laid down in this proposal, examining the criteria-based extension of the list will be an ongoing task.

The question of including post-consumer scrap as a precursor for the production of aluminium should also be looked at again in detail.

In order to make implementation as unbureaucratic as possible, it is important to us that global default values for downstream products are applied at the outset as a matter of principle. If the basis for the data is reliable, country-specific default values for a given product should be determined by the Commission and applied instead of the global default value, as envisaged in the compromise.

Further measures against circumvention and abusive practices, and for reducing the administrative burden, while at the same time preserving carbon leakage protection, climate mitigation character and international acceptance of the mechanism, need to be considered both in the implementation of the CBAM Regulation and in future amendments of the CBAM Regulation. It is precisely in these areas that it is important to closely monitor actual developments and react quickly. The possibilities for action set out in this proposal should be used in this respect. We also ask the Commission to take protecting against circumvention and abusive practices and reducing the administrative burden and simplifying procedures into account, in particular in the context of the next review process.

A solution for carbon leakage protection for exports is also essential. With regard to both the proposal for a temporary decarbonisation fund and the permanent solution announced as part of the ETS reform, it is important that businesses are given planning certainty as soon as possible.

It is crucial that, as part of the set of instruments for achieving our climate goals, the CBAM provides the industrial sectors concerned with effective carbon leakage protection, which helps to maintain the competitiveness of these sectors. The realisation of this objective should be under constant review, including in particular in the context of the next review process.

STATEMENT BY MALTA

Malta supports the objective of preventing carbon leakage and remains committed to ensuring that climate policy contributes effectively to global decarbonisation.

Malta still however harbours serious concerns that the text extending the Carbon Border Adjustment Mechanism (CBAM) beyond its original climate rationale may give rise to disproportionate impacts for small, import-dependent economies such as Malta.

A number of key concerns remain unaddressed:

First, the proposed extension of CBAM to highly complex downstream finished goods risks moving the instrument away from its original purpose of levelling the playing field for industry sectors covered by the EU Emissions Trading System (ETS). Extending CBAM to customer-facing products may result in an inflationary cost pass-through to consumers, rather than delivering meaningful global emissions reductions.

Second, the proposal would place a disproportionate administrative and compliance burden on small and medium-sized enterprises (SMEs). In Malta, more than 70% of CBAM-liable operators are microenterprises or SMEs. Collectively, these operators account for only a negligible share of covered emissions, yet they would still be required to meet significant reporting and administrative obligations.

Third, Malta considers that the text as is involves administrative complexity, which goes against the efforts of simplification. Malta continues to highlight the importance of standardised, EU-wide digital templates and practical tools to reduce unnecessary red tape for both economic operators and national administrations.

Finally, Malta is concerned that the rapid expansion of scope proceeded without a dedicated Impact Assessment, going against the respective guidelines stipulating that Impact Assessments should also be carried out when considerable revisions to proposals are made during negotiations. This creates legal and economic uncertainty, particularly for small island and import-dependent economies, where the effects of increased costs and administrative requirements may be more acute.

For Malta, any extension of CBAM must remain proportionate, evidence-based, and firmly anchored in its climate objective.

Malta therefore calls for a clearer justification of any scope expansion, proper recognition of the specific circumstances of small island and import-dependent economies, and practical simplification measures to ensure that CBAM remains an effective emissions-based instrument and does not become an additional cost burden on citizens and SMEs.