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**MEETING DOCUMENT**

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| From: | General Secretariat of the Council |
| To: | Delegations |
| Subject: | Consolidated CBAM Regulation 2023/956 |

Delegations will find attached the informal consolidated text of the CBAM Regulation 2023/956, which includes the text of the Commission proposal (prepared by the Commission services).

**Consolidated CBAM Regulation 2023/956**
**(for information only)**

As amended by **Regulation (EU) 2025/2083** (amendments in red underlined)

As proposed for amendments by **17 December 2025** legislative proposal (recitals and amendments in **green bold underlined**)

PUBLIC

**(1) Regulation (EU) 2023/956 of the European Parliament and of the Council[1] was initially designed with a limited scope, covering those goods that are most exposed to the risk of carbon leakage and that are most carbon intensive. The scope of that Regulation should be gradually extended to cover products further down the value chain of the goods listed in Annex I to that Regulation.**

**(2) In its Communication entitled 'A European Steel and Metals Action Plan'[2], the Commission set out the objectives of extending the scope of the carbon border adjustment mechanism ('CBAM') to certain steel and aluminium-intensive downstream products, as well as addressing the risk of circumvention and practices which could undermine the objectives of the CBAM, including the redirection by third countries of low emission-intensive goods to the Union market in the absence of efforts to decarbonise the entirety of their production.**

**(3) As the CBAM aims to create incentives for the reduction of emissions by operators in third countries, the Union is committed to working with and supporting low and middle-income third countries towards the decarbonisation of their manufacturing industries as part of the external dimension of the European Green Deal[3] and in line with the Paris Agreement[4]. The Union should continue to support those countries through the Union budget, especially LDCs, in order to contribute to ensuring their adaptation to the obligations under this Regulation. The Union should continue to support climate mitigation and adaptation actions in these countries, including in their efforts towards the decarbonisation and transformation of their industries within the ceiling of the multi-annual financial framework and**

[1] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52, ELI: http://data.europa.eu/eli/reg/2023/956/oj).
[2] Communication on the European Steel and Metals Action Plan, COM/2025/125 finalhttps://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025DC0085.
[3] Communication: The European Green Deal, COM/2019/640 final.
[4] OJ L 282, 19.10.2016, p. 4.

**the financial support provided by the Union to international climate finance. This is further reinforced in the EU global climate and energy vision[5], which indicates that the EU will engage proactively with partners to ensure better coherence between internal and external EU policies. While the CBAM gradually enters into application, the Union intends to strengthen partnerships and support broader climate mitigation efforts, including by providing financial support to countries' decarbonisation efforts.**

**(4) Upon the incorporation of Regulation (EU) 2023/956 in the EEA Agreement, the EFTA States applying the CBAM should not be considered third countries for the purposes of this Regulation and should be deleted from its Annex III. A common CBAM area would be created where the threshold pursuant to Article 2a of Regulation (EU) 2023/956 would become jointly applicable to importation into the Union and the customs territories of the EFTA States that apply CBAM.**

**(5) Upon the incorporation of Regulation (EU) 2023/956 in the EEA Agreement, that Regulation should apply to processed products from goods listed in Annex I originating in a third country that are resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013, where they are re-exported to the customs territory of an EFTA State that incorporated the CBAM, provided that they are imported to one of those customs territories. Implementing powers should be conferred on the Commission to lay down detailed conditions for the application of the CBAM to such goods.**

**(6) Upon the incorporation of Regulation (EU) 2023/956 in the EEA Agreement, it should be clarified that that Regulation shall not apply to goods previously released for free circulation in the customs territory of EFTA States that incorporated the CBAM, provided that the customs declarant indicates in the subsequent customs declaration that the goods have been previously released for free circulation within the customs territory of the EFTA States.**

**(7) Upon the incorporation of Regulation (EU) 2023/956 in the EEA Agreement, the EFTA States applying the CBAM should not be considered third countries for the purposes of this Regulation and should be deleted from its Annex III. A common**

[5] Joint Communication: EU global climate and energy vision: securing Europe's competitive role in world markets and accelerating the clean transition, JOIN(2025) 25 final.

**CBAM area would be created where the threshold pursuant to Article 2a of Regulation (EU) 2023/956 would become jointly applicable to importation into the Union and the customs territories of the EFTA States that apply CBAM.**

**(8) Electricity flows from third countries resulting from actions that transmission system operators take to ensure the safe and secure operation of their networks, including handling emergencies and unscheduled flows, should not be subject to this Regulation.**

**(9) Due recognition of the progress made by the relevant third countries towards market coupling of the electricity systems ensures that any time-limited exemptions as foreseen in this Regulation fully align with the strategic objectives of the Union and those third countries' specific achievements. The efficient use of the existing electricity infrastructure and the integration of electricity markets of third countries into the internal electricity market of the Union is essential to reduce costs for both Member States and the relevant third countries, as well as to ensure security of supply. Such recognition should be put forward by means of a Memorandum of Understanding between the Commission and the third countries that have fully transposed the relevant electricity market acquis, as verified by the Commission. The Memorandum of Understanding should set the timeline for the application of the exemption foreseen in Regulation (EU) 2023/956, while considering adherence to relevant market rules and transmission system operator (TSO) institutions in line with Regulation (EU) 2019/943 of the European Parliament and of the Council[6] and Commission Regulation (EU) 2015/1222[7], and the progress made by the relevant countries on carbon pricing instruments equivalent to the EU ETS insofar as electricity generation is concerned.**

**(10) To ensure that the single mass-based threshold does not exceed 1% of the emissions embedded in the imported goods and processed products following the extension of Regulation (EU) 2023/956 to downstream products, the annual assessment in the year 2027 of the threshold should be carried out on the basis of import data covering the downstream goods covered under this extension.**

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[6] Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (OJ L 158, 14.6.2019, pp. 54–124, ELI: http://data.europa.eu/eli/reg/2019/943/oj).

[7] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, pp. 24–72, ELI: http://data.europa.eu/eli/reg/2015/1222/oj).

PUBLIC

(11) The CBAM seeks to address the risk of carbon leakage by ensuring that products, irrespective of whether they are imported or produced in the Union, are subject to an equivalent carbon price. However, 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, resulting in overall emissions being higher than what they would be in the absence of carbon leakage.

(12) Abusive practices could occur when actors exploit the possibility of using actual emissions for the purpose of unduly avoiding, wholly or partially, the CBAM financial liability and thereby undermine the effectiveness of the CBAM in addressing the risk of carbon leakage in the Union and the attainment of the Union's climate policy objectives.

(13) The Commission should monitor the impact of the CBAM on the Union internal market with a view to assessing the risk of abusive practices undermining the effectiveness of the CBAM and the potential impact on the Union internal market, including through an analysis of customs import declarations and CBAM declarations or on the basis of any relevant source of information, including from Member States through exchanges in the Expert Group on the CBAM or other relevant exchanges.

(14) To enable a swift reaction in the case of evidence pointing towards a high risk of abusive practices, the Commission should be empowered to adopt delegated acts to lay down, for the use of actual emissions for a combination of goods and origins, the information to be declared as well as the evidence demonstrating that such abusive practices have not materialised. Where the Commission finds sufficient evidence pointing towards a high risk of abusive practices, the Commission should be required to act by way of delegated acts within three months after the finding. These conditions and evidence should be designed in a proportionate manner and they should not place unnecessary burden on operators and importers.

(15) In order to identify the importers represented by an indirect customs representative, the application for an authorisation should include the Economic Operators Registration and Identification (EORI) number, or any other type of national identification number, of the importers represented.

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(16) To address the risk of misdeclaration of the embedded emissions determined on the basis of actual emissions, the Commission and the competent authority should be allowed to request the authorised CBAM declarant to provide evidence that the imported goods were produced in the declared installation, and for the declared production period. For certain goods, such as those subject to a higher heterogeneity of emission intensities, or only in certain cases, the evidence should be required as part of the CBAM declaration. The Commission should be empowered to adopt implementing acts to identify the goods for which such evidence should be required as part of the CBAM declaration as well as the specific type of evidence to be provided.

(17) To facilitate the processing of information on operators in third countries, reduce the administrative burden for the operator and the authorised CBAM declarant and facilitate the review of CBAM declarations, the registration of operators should be a necessary step for the determination of embedded emissions on the basis of actual verified emissions.

(18) In order to foster a harmonised approach for the review of CBAM declarations, it should be clarified that the Commission may, as part of the implementing act concerning the standard format of the CBAM declaration, set out procedures for the review of CBAM declarations.

(19) Emissions from the production of pre-consumer scrap in the Union are subject to a carbon price since, under the EU ETS, emissions are measured at installation level. Since pre-consumer aluminium and pre-consumer steel scrap under Regulation (EU) 2023/956 are assigned zero-emissions, imported goods using pre-consumer aluminium and pre-consumer steel scrap as input material are subject to a lower carbon price compared to goods produced in the Union, thus weakening the effectiveness of the CBAM in addressing the risk of carbon leakage of goods listed in Annex I.

(20) With a view to strengthening the effectiveness of the CBAM to address the risk of carbon leakage of goods, emissions of pre-consumer aluminium scrap and pre-consumer steel scrap should be taken into account for the calculation of embedded emissions of goods. Since pre-consumer scrap is a co-product generated unintentionally in the production process of metal goods and immediately reusable

in a production process, it is not considered at risk of carbon leakage in its own right. Therefore, the emissions of pre-consumer aluminium scrap and pre-consumer steel scrap should only be taken into account when used as a precursor for goods listed in Annex I of this Regulation. The Commission should ensure that the monitoring, reporting and verification of emissions embedded in pre-consumer scrap used as input material (precursor) is not circumvented, including by misreporting pre-consumer scrap as post-consumer scrap to lower the determination of embedded emissions.

(21) To facilitate the application of Regulation (EU) 2023/956, the Union may in the context of the Implementing Regulation for accounting the carbon price paid abroad, consider the carbon credits under Article 6 of the Paris Agreement.

(22) It should be clarified that, due to the commercially sensitive nature of some data elements required for the reporting, calculation and verification of actual emissions, the operator may choose to disclose only a summary of these elements that are necessary for the determination and the verification of the embedded emissions, and the application of the conditions for the use of actual emissions for relevant combinations of goods and origins. The authorised CBAM declarant should only be required to keep records of the information disclosed.

(23) Specific challenges arise for the use of actual emissions embedded in downstream goods produced with multiple input material (precursors), and where those materials belong to different CBAM sectors or to sectors not covered in the scope of this Regulation. These goods typically have longer and more complex global value chains, and their production involves multiple production steps. Sourcing verified information on the actual emissions of their input materials (precursors) will be administratively difficult, which would in turn disincentivise the use of actual emissions. To address these challenges, the use of default values for these specific goods should be facilitated by the non-application of the mark-up, without prejudice to the environmental integrity of the CBAM.

(24) Since the certification of the carbon price documentation may take place prior to the import of the good into the Union, it is not appropriate to require the person certifying the information contained in the carbon price documentation to be independent from the authorised CBAM declarant.

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(25) Since the deduction of the carbon price effectively paid in a third country requires the embedded emissions to be based on actual verified emissions, and since the certification of the carbon price documentation must rely on the prior verification of embedded emissions, the verification of embedded emissions and the certification of the carbon price paid on those emissions are closely related and can possibly be undertaken by the same person. Furthermore, the certification of the carbon price should be subject to a similar control and oversight as the one exercised for the verification of emissions. It should therefore be clarified that the Commission is empowered to adopt implementing acts concerning the conditions to ascertain the qualifications of the person responsible for certifying, via the CBAM registry, the information contained in the carbon price documentation, and including the granting of an accreditation by a national accreditation body, and cover the necessary certification procedures and exchange of information.

(26) To facilitate the verification of embedded emissions in the case of complex goods, it should be clarified that an operator should be able to share information, including on the verification of emissions embedded in input materials (precursors), with another operator.

(27) To ensure the financial standing of an applicant or of an authorised CBAM declarant, competent authorities should be allowed to require the provision of a guarantee in other cases than where an applicant was not established in the two financial years prior the year when the application was submitted. To safeguard the proper collection of revenues, it is also appropriate to enable competent authorities to use the guarantee provided, where the authorised CBAM declarant fail to comply with their obligation to have, at the end of each quarter, the number of CBAM certificates that corresponds to 50% of the emissions embedded in the goods they have imported into the Union since the beginning of the year.

(28) It should be clarified that, to enable national accreditation bodies, the Commission and competent authorities to control and monitor verifiers, it is necessary to lay down the verification procedures to be used by verifiers.

(29) In order to preserve its effectiveness as a measure to prevent carbon leakage, the price of CBAM certificates is to be calculated by the Commission based on weekly averages of the allowances auctioned in the Union's Emission Trading

System ('EU ETS'). To ensure that the price of CBAM certificate always reflects closely ETS prices, it is appropriate to provide a specific calculation rule for the calendar weeks during which there is only one auction taking place on the auction platform.

(30) From 2027 onwards, authorised CBAM declarants above the single-mass based threshold are to ensure that the number of CBAM certificates on their account in the CBAM registry at the end of each quarter corresponds to at least 50 % of the emissions embedded in imported goods since the beginning of that year. Since this rule is based on an annual cycle, on which the repurchase limit of CBAM certificates relies, it is appropriate to exclude, from the number of CBAM certificates affected by the quarterly calculation, certificates purchased during other years than that calendar year.

(31) To streamline the repurchase process, increase the efficiency of the process and reduce the administrative burden while maintaining the security integrity and a robust oversight, an authorised CBAM declarant should be allowed to have their excess CBAM certificates be directly repurchased by the competent authority.

(32) For certain goods, such as the clinker content of cement, the nitrogen content of fertilisers or the alloying elements of steel, the material and chemical compositions of the good is an important determining factor of the embedded emissions. To address the risk of misdeclaration of the embedded emissions determined on the basis of actual emissions for certain goods that are subject to a higher heterogeneity of emission intensities, the Commission should be empowered to adopt implementing acts to identify the material and chemical compositions of a good in the customs declaration.

(33) In order to ensure that the competent authorities and the Commission are provided with all the customs information and data necessary for the implementation of Regulation (EU) 2023/956 by the customs authorities, it is necessary to specify the relevant supporting documents, information and data, including the bill of discharge, to be communicated by customs authorities.

(34) It should be clarified that the CBAM account number included in the customs declaration, the bill of discharge, the receipt declaration, or any other relevant customs document at the time goods are released for free circulation,

**should be used to determine the person responsible for assuming the obligations set out in this Regulation.**

**(35) To ensure the accuracy of the customs data and information available to the competent authorities in the CBAM registry, the competent authorities should be allowed to request the customs authorities or the Commission to validate this information. The Commission should be empowered to adopt implementing acts defining the scope of the information and the periodicity, timing and means for communicating that information.**

**(36) To prevent practices which could undermine the achievement of the objectives of the CBAM, the Commission should continuously monitor at Union level practices of circumvention consisting of artificially adjusting the supply chain of goods to avoid the obligations laid down in Regulation (EU) 2023/956.**

**(37) To enable a swift reaction in the case of serious and unforeseeable consequences from the inclusion of a good in the scope of the CBAM, leading to severe harm to the Union internal market, the Commission should be empowered to adopt delegated acts to remove a good from the scope of Regulation (EU) 2023/956.**

**(38) To ensure better alignment with the Combined Nomenclature ('CN') set out in Council Regulation (EEC) No 2658/87[8], the description of certain CN codes in Annex I to Regulation (EU) 2023/956 should be clarified.**

**(39) With the progressive phase-out of transitional free allocation of allowances under Directive 2003/87/EC of the European Parliament and of the Council[9], which establishes a system for greenhouse gas emission allowance trading within the Union ('EU ETS'), and the progressive phase-in of the CBAM, the risk of carbon leakage will likely shift from the upstream sectors currently covered by the CBAM to downstream products. To preserve the effectiveness of the objectives of the CBAM, it is therefore necessary to extend the scope of Regulation (EU) 2023/956 to products further down the value chain.**

[8] 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, ELI: http://data.europa.eu/eli/reg/1987/2658/oj).
[9] Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a system for greenhouse gas emission allowance trading within the Union and amending Council Directive 96/61/EC (OJ L 275, 25.10.2003, p. 32, ELI: http://data.europa.eu/eli/dir/2003/87/oj).

(40) In accordance with the European Steel and Metals Action Plan, the extension of the scope of Regulation (EU) 2023/956 should focus on the metal sectors and goods that contain a significant share of CBAM products. It should therefore cover steel and aluminium-intensive downstream goods that are the most imported into the Union in terms of numbers, value and volume, and that face the highest risk of carbon leakage. The steel and aluminium sectors also demonstrate the highest technical feasibility for the calculation of actual emissions embedded in goods.

(41) The selection of the downstream steel and aluminium-intensive goods should be based on clearly defined criteria and thresholds, reflecting the risk of carbon leakage associated to each product, including their share of embedded emissions, their climate relevance and the technical feasibility of their inclusion in the scope of Regulation (EU) 2023/956. The risk of carbon leakage should be appreciated with regards to both the tradability of the product and the comparison between the carbon cost embedded in the product's inputs materials (precursors) and the product's overall value added. Based on the same criteria, the Commission should in the future assess the extension of the scope of that Regulation to additional downstream goods and present its conclusions in a report to the European Parliament and to the Council.

(42) Following the principles and calculation methods applicable to other goods, embedded emissions in downstream goods should be calculated on the basis of actual emissions verified by a verifier, or by reference to default values calculated and made available by the Commission. Since the system boundaries of production processes are limited to the system boundaries of production processes covered by the EU ETS, the attribution of emissions embedded in downstream goods should be limited to the emissions contained in input materials (precursors). Input materials (precursors) of downstream goods that are not listed in Annex II to Regulation (EU) 2023/956 should be taken into account in the calculation of embedded emissions.

(43) For a limited number of downstream goods, the embedded emissions may, depending on the material composition of the good, fall entirely outside the scope of the CBAM. It is therefore necessary to specify that downstream goods that are exclusively made of materials which fall outside the scope of the CBAM should not be covered in the scope of Annex I to Regulation (EU) 2023/956.

PUBLIC

(44) Specific challenges arise for the use of actual emissions embedded in downstream goods produced with multiple input material (precursors), and where those materials belong to different CBAM sectors or to sectors not covered in the scope of this Regulation. These goods typically have longer and more complex global value chains, and their production involves multiple production steps. Sourcing verified information on the actual emissions of their input materials (precursors) will be administratively difficult, which would in turn disincentivise the use of actual emissions. To address these challenges, the use of default values for these specific goods should be facilitated by the non-application of the mark-up, without prejudice to the environmental integrity of the CBAM.

(45) Specific challenges arise for the use of actual emissions embedded in downstream goods covered in the sectors 'Iron and Steel', 'Aluminium' and 'Combined Metal Goods' referred to in Annex I to Regulation (EU) 2023/956. Due to challenges in data collection along the supply chain of some of the components of these goods, the specific embedded emissions of all goods covered in these sections should be calculated as a function of the embedded emissions of the input materials (precursors) contained in the goods.

(46) The method used to calculate the emission factor for imported electricity should be modified so as to take into account the electricity produced from all sources, including non-fossil fuel sources. As a result, revised default values for imported electricity should be calculated and made available by the Commission.

(47) To ensure a consistent methodological approach with respect to the default values applied for indirect emissions, it should be clarified that the alternative default value for indirect emissions that a third country, or a group of third countries, may demonstrate to be lower than the one established by the Commission, should be based on the same calculation method as the default values for indirect emissions determined by the Commission.

(48) To facilitate the determination of embedded emissions of electricity on the basis of actual emissions, the conditions for applying actual embedded emissions in imported electricity should be made more flexible. It should be clarified that certain power purchase agreements concluded between intermediaries may be used. Moreover, in light of practical difficulties to demonstrate the absence of physical

network congestion at any point of the network at the time of import, this criterion, as well as the alternative criterion to prove the direct connection to the Union transmission system should be removed. Finally, it should not be necessary to demonstrate a firm nomination of the allocated interconnection capacity where transmission capacity is allocated through implicit capacity allocation.

(49) Due to the commercially sensitive nature of some data elements underpinning the verification of embedded emissions, the verification report should contain only the information that is needed to establish the embedded emissions of the goods. Information on the emissions released by the installation or on goods that are not included in the scope of this Regulation, while nevertheless subject to review from the verifier, should not be included in the verification report.

(50) In order to amend certain non-essential elements of Regulation (EU) 2023/956, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of removing goods from the scope of Annex I, where necessary, due to severe harm to the Union internal market caused by serious and unforeseeable circumstances, and until these serious and unforeseeable circumstances have passed. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(51) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, namely extending the mechanism that the Union has adopted to prevent the risk of carbon leakage and thereby reduce global carbon emissions as well as addressing the risk of circumvention and practices which could undermine the objectives of the CBAM, but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

PUBLIC

**(52)** **Regulation (EU) 2023/956 should therefore be amended accordingly,**

**(53)** **For the determination of embedded emissions of electricity, to allow for the submission of the first CBAM declarations by 30 September 2027 on the basis of this Regulation, the changes to the method used to calculate the emission factor for imported electricity and to the conditions for applying actual embedded emissions in imported electricity should apply to imports of electricity that occurred as of 1 January 2026. To provide sufficient predictability, the extension of the scope of Annex I to Regulation (EU) 2023/956 and to input materials (precursors) listed in Annex VIII should apply from 1 January 2028,**

**(54)** **Regulation (EU) 2023/956 should therefore be amended accordingly,**

CHAPTER I

**SUBJECT MATTER, SCOPE AND DEFINITIONS**

*Article 1*

***Subject matter***

1. This Regulation establishes a carbon border adjustment mechanism (the 'CBAM') to address greenhouse gas emissions embedded in the goods listed in Annex I on their importation into the customs territory of the Union in order to prevent the risk of carbon leakage, thereby reducing global carbon emissions and supporting the goals of the Paris Agreement, also by creating incentives for the reduction of emissions by operators in third countries.

2. The CBAM complements the system for greenhouse gas emission allowance trading within the Union established under Directive 2003/87/EC (the 'EU ETS') by applying an equivalent set of rules to imports into the customs territory of the Union of the goods referred to in Article 2 of this Regulation.

3. The CBAM is set to replace the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage by reflecting the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of that Directive.

*Article 2*

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***Scope***

1. This Regulation applies to goods listed in Annex I originating in a third country, where those goods, or processed products from those goods resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013, are imported into the customs territory of the Union.

2. This Regulation also applies to goods listed in Annex I to this Regulation originating in a third country, where those goods, or processed products from those goods resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013, are brought to an artificial island, a fixed or floating structure, or any other structure on the continental shelf or in the exclusive economic zone of a Member State that is adjacent to the customs territory of the Union.

The Commission shall adopt implementing acts laying down detailed conditions for the application of the CBAM to such goods, in particular as regards the notions equivalent to those of importation into the customs territory of the Union and of release for free circulation, as regards the procedures relating to the submission of the CBAM declaration in respect of such goods and the controls to be carried out by customs authorities. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation.

**2a. Upon its incorporation in the EEA Agreement, this Regulation also applies to processed products from goods listed in Annex I originating in a third country that are resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013, where they are re-exported to the customs territory of Norway or Iceland, provided that they are imported to those countries.**

**The Commission may adopt implementing acts laying down the detailed conditions for the application of the CBAM to such products. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation.**

3. By way of derogation from paragraphs 1 and 2, this Regulation shall not apply to~~:~~

~~(a) goods listed in Annex I to this Regulation which are imported into the customs territory of the Union provided that the intrinsic value of such goods does not exceed, per consignment, the value specified for goods of negligible value as referred to in Article 23 of Council Regulation (EC) No 1186/2009 ([22]);~~

~~(b) goods contained in the personal luggage of travellers coming from a third country provided that the intrinsic value of such goods does not exceed the value specified for goods of negligible value as referred to in Article 23 of Regulation (EC) No 1186/2009;~~

~~(c)~~ goods to be moved or used in the context of military activities pursuant to Article 1, point (49), of Commission Delegated Regulation (EU) 2015/2446 ~~([23])~~.

3a. This Regulation shall not apply to:

(a) electricity generated on the continental shelf or in the exclusive economic zone of a Member State or of a country or territory listed in points 1 or 2 Annex III;

(b) hydrogen originating on the continental shelf ~~of a Member State~~ or in the exclusive economic zone of a Member State or of a country or territory listed in point 1 Annex III.

4. By way of derogation from paragraphs 1 and 2, this Regulation shall not apply to goods originating in the third countries and territories listed in point 1 of Annex III.

**Upon its incorporation into the EEA Agreement, by way of derogation from paragraphs 1 and 2, this Regulation shall not apply to goods originating in third countries previously released for free circulation in the customs territory of the EFTA States that incorporated the CBAM, provided that the customs declarant indicates in the subsequent customs declaration lodged in the customs territory of the Union that the goods have been previously released for free circulation in the customs territory of those EFTA States and provided that, at the request of the customs authority, the customs declarant makes available documentation or information proving that the goods have been previously released for free circulation within the customs territory of the respective EFTA States. The customs declarant shall bear responsibility for the availability of this proof at the time of lodging of the customs declaration.**

5. Imported goods shall be considered as originating in third countries in accordance with the rules for non-preferential origin as referred to in Article 59 of Regulation (EU) No 952/2013.

6. Third countries and territories shall be listed in point 1 of Annex III where they fulfil all the following conditions:

(a) the EU ETS applies to that third country or territory or an agreement has been concluded between that third country or territory and the Union fully linking the EU ETS and the emission trading system of that third country or territory;

PUBLIC

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(b) the carbon price paid in the country in which the goods originate is effectively charged on the greenhouse gas emissions embedded in those goods without any rebates beyond those also applied in accordance with the EU ETS.

7. If a third country or territory has an electricity market which is integrated with the Union internal market for electricity through market coupling, and there is no technical solution for the application of the CBAM to the importation of electricity into the customs territory of the Union from that third country or territory, such importation of electricity from that country or territory shall be exempt from the application of the CBAM, provided that the Commission has assessed that all of the following conditions have been fulfilled in accordance with paragraph 8:

(a) the third country or territory has concluded an agreement with the Union which sets out an obligation to apply Union law in the field of electricity, including the legislation on the development of renewable energy sources, as well as other rules in the field of energy, environment and competition;

(b) the domestic legislation in that third country or territory implements the main provisions of Union electricity market legislation, including on the development of renewable energy sources and the market coupling of electricity markets;

(c) the third country or territory has submitted a roadmap to the Commission which contains a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

(d) the third country or territory has committed to climate neutrality by 2050 and, where applicable, has accordingly formally formulated and communicated to the United Nations Framework Convention on Climate Change (UNFCCC) a mid-century, long-term low greenhouse gas emissions development strategy aligned with that objective, and has implemented that commitment in its domestic legislation;

(e) the third country or territory has, when implementing the roadmap referred to in point (c), demonstrated its fulfilment of the set deadlines and the substantial progress towards the alignment of domestic legislation with Union law in the field of climate action on the basis of that roadmap, including towards carbon pricing at a level equivalent to that in the Union in particular insofar as the generation of electricity is concerned; the implementation of an emissions trading system for electricity, with a price equivalent to the EU ETS, is to be finalised by 1 January 2030;

(f) the third country or territory has put in place an effective system to prevent indirect import of electricity into the Union from other third countries or territories that do not fulfil the conditions set out in points (a) to (e).

**7a. Where a third country has requested to integrate its electricity market into that of the Union through market coupling pursuant to an international agreement, the Commission may, when establishing that the relevant third country has fully transposed the electricity market acquis, conclude a Memorandum of Understanding with that third country.**

**The Memorandum of Understanding referred to in the first subparagraph shall set the timeline for the application of the exemption foreseen in Article 2(7) and the timeline for the implementation of a carbon pricing instrument equivalent to the EU ETS, insofar as electricity generation is concerned.**

8. A third country or territory that fulfils all the conditions set out in paragraph 7, shall be listed in point 2 of Annex III~~, and shall submit two reports on the fulfilment of those conditions, the first report by 1 July 2025 and the second by 31 December 2027~~. **When assessing whether** ~~By 31 December 2025 and by 1 July 2028, the Commission shall assess, in particular on the basis of the roadmap referred to in paragraph 7, point (c), and the reports received from the third country or territory, if that third country or territory continues to fulfil~~ the conditions set out in paragraph 7 **are fulfilled, the Commission shall take into account advancements in accordance with the timeline laid down in a Memorandum of Understanding under Article 2(7a)**.

9. A third country or territory listed in point 2 of Annex III shall be removed from that list where one or more of the following conditions applies:

(a) the Commission has reasons to consider that that third country or territory has not shown sufficient progress to comply with one of the conditions set out in paragraph 7, or that third country or territory has taken action that is incompatible with the objectives set out in the Union climate and environmental legislation;

(b) that third country or territory has taken steps that are contrary to its decarbonisation objectives, such as providing public support for the establishment of new generation capacity that emits more than 550 grammes of carbon dioxide ('$CO_2$') of fossil fuel origin per kilowatt-hour of electricity;

PUBLIC

(c) the Commission has evidence that, as a result of increased exports of electricity to the Union, the emissions per kilowatt-hour of electricity produced in that third country or territory have increased by at least 5 % compared to 1 January 2026.

10. The Commission is empowered to adopt delegated acts in accordance with Article 28 in order to supplement this Regulation by laying down requirements and procedures for third countries or territories that have been removed from the list in point 2 of Annex III, to ensure the application of this Regulation to those countries or territories with regard to electricity. If in such cases market coupling remains incompatible with the application of this Regulation, the Commission may decide to exclude those third countries or territories from Union market coupling and require explicit capacity allocation at the border between the Union and those third countries or territories, so that the CBAM can apply.

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 in order to amend the lists of third countries or territories listed in point 1 or 2 of Annex III by adding or removing a third country or territory, depending on whether the conditions set out in paragraph 6, 7 or 9 of this Article are fulfilled in respect of that third country or territory**, or as a consequence of the incorporation of the CBAM into the EEA Agreement**. **Where, in the case of adding a third country to the list of third countries or territories listed in point 2 of Annex III, imperative grounds of urgency so require, the procedure provided for in Article 28a shall apply to delegated acts adopted pursuant to this paragraph.**

~~**12.**~~ The Union may conclude agreements with third countries or territories with a view to taking into account carbon pricing mechanisms in such countries or territories for the purposes of the application of Article 9 **as well as the mutual recognition of third-country accreditation bodies for the accreditation of a legal person to be a verifier pursuant to Article 18**.

*Article 2a*

***De minimis exemption***

1. An importer, including any importer with the status of an authorised CBAM declarant, shall be exempted from the obligations under this Regulation, where the net mass of the imported goods in a given calendar year does not cumulatively exceed the single mass-based threshold laid down in point 1 of Annex VII (the “single mass-based threshold”). That threshold shall apply to the total net mass of goods under all CN codes aggregated per importer and per calendar year.

In such a case, the importer, including an importer with the status of an authorised CBAM declarant, shall declare that exemption in the relevant customs declaration.

2. Where, within the relevant calendar year, an importer, including any importer with the status of an authorised CBAM declarant, exceeds the single mass-based threshold, the importer or the authorised CBAM declarant shall be subject to all obligations under this Regulation in respect of all emissions embedded in all goods imported in that calendar year.

3. By 30 April of each calendar year, the Commission shall assess, on the basis of the import data for the preceding 12 calendar months, whether the single mass-based threshold ensures that paragraph 1 of this Article applies to no more than 1% of the emissions embedded in the imported goods and processed products. The Commission shall adopt delegated acts in accordance with Article 28 to amend the single mass-based threshold by using the methodology set out in point 2 of Annex VII, where the value of the resulting threshold deviates from the applicable threshold by more than 15 tonnes. The amended single mass-based threshold shall apply from 1 January of the following calendar year.

**For its 2027 assessment due by 30 April 2027, the Commission shall use the import data of goods contained in Annex I to this Regulation and in Annex I to Regulation (EU) XX/XX [Amending Regulation].**

4. This Article shall not apply to imports of electricity or hydrogen.

*Article 3*

***Definitions***

For the purposes of this Regulation, the following definitions apply:

(1) ‘goods’ means goods listed in Annex I;

(2) ‘greenhouse gases’ means greenhouse gases as specified in Annex I in relation to each of the goods listed in that Annex;

(3) ‘emissions’ means the release of greenhouse gases into the atmosphere from the production of goods;

(4) ‘importation’ means release for free circulation as provided for in Article 201 of Regulation (EU) No 952/2013;

PUBLIC

PUBLIC

(5) 'EU ETS' means the system for greenhouse gas emissions allowance trading within the Union in respect of activities listed in Annex I to Directive 2003/87/EC other than aviation activities;

(6) 'customs territory of the Union' means the territory defined in Article 4 of Regulation (EU) No 952/2013;

(7) 'third country' means a country or territory outside the customs territory of the Union;

(8) 'continental shelf' means a continental shelf as defined in Article 76 of the United Nations Convention on the Law of the Sea;

(9) 'exclusive economic zone' means an exclusive economic zone as defined in Article 55 of the United Nations Convention on the Law of the Sea and which has been declared as an exclusive economic zone by a Member State pursuant to that convention;

(10) 'intrinsic value' means the intrinsic value for commercial goods as defined in Article 1, point (48), of Delegated Regulation (EU) 2015/2446;

(11) 'market coupling' means the allocation of transmission capacity through a Union system which simultaneously matches orders and allocates cross-zonal capacities as set out in Regulation (EU) 2015/1222;

(12) 'explicit capacity allocation' means the allocation of cross-border transmission capacity separate from the trade of electricity;

(13) 'competent authority' means the authority designated by each Member State in accordance with Article 11;

(14) 'customs authorities' means the customs administrations of Member States as defined in Article 5, point (1), of Regulation (EU) No 952/2013;

(15) 'importer' means either the person lodging a customs declaration for release for free circulation of goods ~~in its own name and on its own behalf~~ or a bill of discharge in accordance with Article 175(5) of Delegated Regulation (EU) 2015/2446 in its own name and on its own behalf or, where the customs declaration is lodged by an indirect customs representative in accordance with Article 18 of Regulation (EU) No 952/2013, the person on whose behalf such a declaration is lodged;

(16) 'customs declarant' means a declarant as defined in Article 5, point (15), of Regulation (EU) No 952/2013 lodging a customs declaration for release for free circulation of goods in its own name or the person in whose name such a declaration is lodged;

(17) 'authorised CBAM declarant' means a person authorised by a competent authority in accordance with Article 17;

(18) 'person' means a natural person, a legal person or any association of persons which is not a legal person but which is recognised under Union or national law as having the capacity to perform legal acts;

(19) 'established in a Member State' means:

(a) in the case of a natural person, any person whose place of residence is in a Member State;

(b) in the case of a legal person or an association of persons, any person whose registered office, central headquarters or permanent business establishment is in a Member State;

(20) 'Economic Operators Registration and Identification number (EORI number)' means the number assigned by the customs authority when the registration for customs purposes has been carried out in accordance with Article 9 of Regulation (EU) No 952/2013;

(21) 'direct emissions' means emissions from the production processes of goods, including emissions from the production of heating and cooling that is consumed during the production processes, irrespective of the location of the production of the heating or cooling;

(22) 'embedded emissions' means direct emissions released during the production of goods and indirect emissions from the production of electricity that is consumed during the production processes, calculated in accordance with the methods set out in Annex IV and further specified in the implementing acts adopted pursuant to Article 7(7);

(23) 'tonne of $CO_2e$' means one metric tonne of $CO_2$, or an amount of any other greenhouse gas listed in Annex I with an equivalent global warming potential;

(24) 'CBAM certificate' means a certificate in electronic format corresponding to one tonne of $CO_2e$ of embedded emissions in goods;

(25) 'surrender' means offsetting of CBAM certificates against the declared embedded emissions in imported goods or against the embedded emissions in imported goods that should have been declared;

PUBLIC

PUBLIC

(26) 'production processes' means the chemical and physical processes carried out to produce goods in an installation;

(27) 'default value' means a value, which is calculated or drawn from secondary data, which represents the embedded emissions in goods;

(28) 'actual emissions' means the emissions calculated based on primary data from the production processes of goods and from the production of electricity consumed during those processes as determined in accordance with the methods set out in Annex IV;

(29) 'carbon price' means the monetary amount paid in a third country, under a carbon emissions reduction scheme, in the form of a tax, levy or fee or in the form of emission allowances under a greenhouse gas emissions trading system, calculated on greenhouse gases covered by such a measure, and released during the production of goods;

(30) 'installation' means a stationary technical unit where a production process is carried out;

(31) 'operator' means any person ~~who~~ that operates or controls an installation in a third country, including a parent company that controls an installation in a third country;

(32) 'national accreditation body' means a national accreditation body as appointed by each Member State pursuant to Article 4(1) of Regulation (EC) No 765/2008;

(33) 'EU ETS allowance' means an allowance as defined in Article 3, point (a), of Directive 2003/87/EC in respect of activities listed in Annex I to that Directive other than aviation activities;

(34) 'indirect emissions' means emissions from the production of electricity which is consumed during the production processes of goods, irrespective of the location of the production of the consumed electricity.

(35) **'abusive practices' are practices pursued by an actor for the purpose of gaining a benefit by unduly avoiding, wholly or partially, the CBAM financial liability and thereby undermining the effectiveness of the CBAM to address the risk of carbon leakage in the EU.'**

## CHAPTER II

## OBLIGATIONS AND RIGHTS OF AUTHORISED CBAM DECLARANTS

*Article 4*

***Importation of goods***

Goods shall be imported into the customs territory of the Union only by an authorised CBAM declarant.

*Article 5*

***Application for authorisation***

1. Any importer established in a Member State shall, prior to importing goods into the customs territory of the Union, apply for the status of authorised CBAM declarant ('application for an authorisation'). ~~Where such an importer appoints an indirect customs representative in accordance with Article 18 of Regulation (EU) No 952/2013 and the indirect customs representative agrees to act as an authorised CBAM declarant, the indirect customs representative shall submit the application for an authorisation.~~

1a. An indirect customs representative shall obtain the status of authorised CBAM declarant prior to importing goods into the customs territory of the Union. An indirect customs representative shall act as an authorised CBAM declarant where the indirect customs representative is appointed by an importer in accordance with Article 18 of Regulation (EU) No 952/2013 and agrees to act as authorised CBAM declarant, irrespective of whether the importer is exempted from the obligations under this Regulation pursuant to Article 2a of this regulation.

1b. Where Article 2a applies, the importer shall submit the application for an authorisation in cases where that importer expects to exceed the single mass-based threshold.

2. Where an importer is not established in a Member State, the indirect customs representative shall ~~submit the application for an authorisation.~~ obtain the status of authorised CBAM declarant, irrespective of whether the importer is exempted from the obligations under this Regulation pursuant to Article 2a.

2a. Where an indirect customs representative acts as an authorised CBAM declarant on behalf of an importer, the indirect customs representative shall be subject to the obligations applicable to the importer pursuant to this Regulation, in respect of the goods imported on behalf of that importer by that indirect customs representative.

3. The application for an authorisation shall be submitted via the CBAM registry established in accordance with Article 14.

PUBLIC

PUBLIC

4. By way of derogation from paragraph 1, where transmission capacity for the import of electricity is allocated through explicit capacity allocation, the person to whom capacity has been allocated for import and who nominates that capacity for import shall, for the purpose of this Regulation, be regarded as an authorised CBAM declarant in the Member State where the person has declared the importation of electricity in the customs declaration. Imports are to be measured per border for time periods no longer than one hour and no deduction of export or transit in the same hour shall be possible.

The competent authority of the Member State in which the customs declaration has been lodged shall register the person in the CBAM registry.

5. The application for an authorisation shall include the following information about the applicant:

(a) name, address and contact information;

(b) EORI number;

(c) main economic activity carried out in the Union;

(d) certification by the tax authority in the Member State where the applicant is established that the applicant is not subject to an outstanding recovery order for national tax debts;

(e) declaration of honour that the applicant was not involved in any serious infringements or repeated infringements of customs legislation, taxation rules or market abuse rules during the five years preceding the year of the application, including that it has no record of serious criminal offences relating to its economic activity;

(f) information necessary to demonstrate the applicant's financial and operational capacity to fulfil its obligations under this Regulation and, if decided by the competent authority on the basis of a risk assessment, supporting documents confirming that information, such as the profit and loss account and the balance sheet for up to the last three financial years for which the accounts were closed;

(g) estimated quantity of imports of goods into the customs territory of the Union by type of goods and information on the Member States of import, for the calendar year during which the application is submitted, and for the following calendar year;

(ga) the number of the authorised economic operator (AEO) certificate, if the applicant has been granted the status of an authorised economic operator in accordance with Article 38 of Regulation (EU) No 952/2013;

(h) **EORI, or other national identification number,** names and contact information of the persons on behalf of whom the applicant is acting, if applicable.

6. The applicant may withdraw its application at any time.

7. The authorised CBAM declarant shall inform without delay the competent authority, via the CBAM registry, of any changes to the information provided under paragraph 5 of this Article that have occurred after the decision granting the status of the authorised CBAM declarant has been adopted pursuant to Article 17 that may influence that decision or the content of the authorisation granted thereunder.

7a. An authorised CBAM declarant may delegate the submission of CBAM declarations as referred to in Article 6 to a person acting on behalf and in the name of that authorised CBAM declarant. The authorised CBAM declarant shall remain responsible for compliance with the obligations applicable to it under this Regulation.

8. The Commission is empowered to adopt implementing acts on communications between the applicant, the competent authority and the Commission, on the standard format of the application for an authorisation and the procedures to submit such an application via the CBAM registry, on the procedure to be followed by the competent authority and the deadlines for processing applications for authorisation in accordance with paragraph 1 of this Article, and on the rules for identification by the competent authority of the authorised CBAM declarants for the importation of electricity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

*Article 6*

***CBAM declaration***

1. By ~~31 May~~ 30 September of each year, and for the first time in 2027 for the year 2026, each authorised CBAM declarant shall use the CBAM registry referred to in Article 14 to submit a CBAM declaration for the preceding calendar year.

2. The CBAM declaration shall contain the following information:

PUBLIC

(a) the total quantity of each type of goods imported during the preceding calendar year, expressed in megawatt-hours for electricity and in tonnes for other goods, including the imported goods below the single mass-based threshold;

(b) the total embedded emissions in the goods referred to in point (a) of this paragraph, expressed in tonnes of $CO_2e$ emissions per megawatt-hour of electricity or, for other goods, in tonnes of $CO_2e$ emissions per tonne of each type of goods, calculated in accordance with Article 7 and, where the embedded emissions are determined on the basis of actual emissions **provided by the operator via the CBAM registry in accordance with Article 10,** verified in accordance with Article 8;

(c) the total number of CBAM certificates to be surrendered, corresponding to the total embedded emissions referred to in point (b) of this paragraph after the reduction that is due on the account of the carbon price paid in ~~a country of origin~~ a third country in accordance with Article 9 and the adjustment necessary to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 31;

(d) where applicable, copies of verification reports, issued by accredited verifiers, under Article 8 and Annex VI.

**(e) where applicable for the purpose of addressing the risk of misdeclaration resulting from the lack of supply chain traceability, evidence that the goods imported during the preceding calendar year were produced at the declared installation and at the actual time of production referred to in the CBAM declaration;**

**(f) where, in accordance with a delegated act adopted in accordance with paragraph 7, the embedded emissions are determined on the basis of actual emissions for a combination of goods and origins that are subject to a high risk of abusive practices, evidence demonstrating that the high risk of abusive practices has not materialised.**

3. Where processed products resulting from an inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013 are imported, the authorised CBAM declarant shall report in the CBAM declaration the emissions embedded in the goods that were placed under the inward processing procedure and resulted in the imported processed products, even where the processed products are not goods listed in Annex I to this Regulation. This paragraph shall also apply where the processed products resulting from the inward processing procedure are returned goods as referred to in Article 205 of Regulation (EU) No 952/2013.

4. Where the imported goods listed in Annex I to this Regulation are processed products resulting from an outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013, the authorised CBAM declarant shall report in the CBAM declaration only the emissions of the processing operation undertaken outside the customs territory of the Union.

5. Where the imported goods are returned goods as referred to in Article 203 of Regulation (EU) No 952/2013, the authorised CBAM declarant shall report separately, in the CBAM declaration, 'zero' for the total embedded emissions corresponding to those goods.

6. The Commission is empowered to adopt implementing acts concerning the standard format of the CBAM declaration, including detailed information for each installation and country of origin or other third country and type of goods to be reported, which supports the totals referred to in paragraph 2 of this Article, in particular as regards embedded emissions ~~and~~, the carbon price paid, the default carbon price for the purpose of Article 9(4), the procedure for submitting the CBAM declaration via the CBAM registry, **including procedures for the review of CBAM declarations in accordance with Article 19,** and the arrangements for surrendering the CBAM certificates referred to in paragraph 2, point (c), of this Article, in accordance with Article 22(1), in particular as regards the process and the selection by the authorised CBAM declarant of certificates to be surrendered. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

**6a. The Commission is empowered to adopt implementing acts concerning the identification of goods or combination of goods and origins for which evidence is to be included in the CBAM declaration pursuant to paragraph 2, point (e), as well as the specific type of evidence to be provided. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).**

**7. The Commission shall monitor at Union level the impact of the CBAM on the Union internal market. Where the Commission, taking into account relevant information, including from customs import declarations and CBAM declarations, finds that there is sufficient evidence pointing towards a high risk of abusive practices for a combination of goods and origins, it may inform importers and authorised CBAM declarants about these risks, it may inform competent authorities and customs aurhoties about these risks with a view of increasing their level of control, and it is empowered to adopt delegated acts in accordance with Article 28 to supplement this Regulation by laying down the methods for the identification of the combination of goods and origins, the information to be declared**

**for the use of actual emissions for those combinations of goods and origins as well as the evidence to be provided to demonstrate that no abuse has taken place.**

**The Commission shall adopt the delegated acts referred to in the first subparagraph within three months of finding that there is sufficient evidence pointing towards a high risk of abusive practices**

*Article 7*

***Calculation of embedded emissions***

1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex IV. For goods listed in Annex II only direct emissions shall be calculated and taken into account.

2. Embedded emissions in goods other than electricity shall be determined: ~~based on the actual emissions in accordance with the methods set out in points 2 and 3 of Annex IV. Where the actual emissions cannot be adequately determined, as well as in the case of indirect emissions, the embedded emissions shall be determined by reference to default values in accordance with the methods set out in point 4.1 of Annex IV.~~

(a) based on the actual emissions in accordance with the methods set out in points 2 and 3 of Annex IV, or

(b) by reference to default values in accordance with the methods set out in point 4.1 of Annex IV.

**2a. Embedded emissions in input materials (precursors) listed in Annex VIII shall be considered in the determination of embedded emissions in goods.**

3. Embedded emissions in imported electricity shall be determined by reference to default values in accordance with the method set out in point 4.2 of Annex IV, unless the authorised CBAM declarant demonstrates that the criteria to determine the embedded emissions based on the actual emissions listed in point 5 of Annex IV are met.

4. Embedded indirect emissions shall be calculated in accordance with the method set out in point 4.3 of Annex IV and further specified in the implementing acts adopted pursuant to paragraph 7 of this Article, unless the authorised CBAM declarant demonstrates that the criteria to determine the embedded emissions based on actual emissions that are listed in point 6 of Annex IV are met.

PUBLIC

5. The authorised CBAM declarant shall keep records of the information **disclosed in accordance with Article 10(7) that is** required to calculate the embedded emissions in accordance with the requirements laid down in Annex V. Those records shall be sufficiently detailed to ~~enable verifiers accredited pursuant to Article 18, where applicable, to verify the embedded emissions in accordance with Article 8 and Annex VI and to~~ enable the Commission and the competent authority to review the CBAM declaration in accordance with Article 19(2).

6. The authorised CBAM declarant shall keep those records of information referred to in paragraph 5, including the report of the verifier, until the end of the fourth year after the year in which the CBAM declaration has been or should have been submitted.

7. The Commission is empowered to adopt implementing acts concerning:

(a) the application of the elements of the calculation methods set out in Annex IV, including determining system boundaries of production processes, which shall be aligned with those covered by the EU ETS, and relevant input materials (precursors), emission factors, installation-specific values of actual emissions and default values and their respective application to individual goods as well as lay~~ing~~ down methods to ensure the reliability of data on the basis of which the default values shall be determined, including the level of detail ~~and the verification~~ of the data, and including further specification of goods that are to be considered as 'simple goods' and 'complex goods' for the purpose of point 1 of Annex IV~~;. t~~ Those implementing acts shall also specify ~~the conditions under which it is deemed that actual emissions cannot be adequately determined, as well as~~ the elements of evidence demonstrating that the criteria required to justify the use of actual emissions for imported electricity and for electricity consumed in the production processes of goods for the purposes of paragraphs 2, 3 and 4 that are listed in points 5 and 6 of Annex IV are met; and

(b) the application of the elements of the calculation methods pursuant to paragraph 4 in accordance with point 4.3 of Annex IV.

Where objectively justified, the implementing acts referred to in the first subparagraph shall provide that default values can be adapted to particular areas, regions or countries to take into account specific objective factors that affect emissions, such as prevailing energy sources or industrial processes. Those implementing acts shall build upon existing legislation for the monitoring and verification of emissions and activity data for installations covered by Directive

PUBLIC

2003/87/EC, in particular Commission Implementing Regulation (EU) 2018/2066 [10], Implementing Regulation (EU) 2018/2067 and Commission Delegated Regulation (EU) 2019/331[11]. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation.

**The implementing acts referred to in the first subparagraph may provide a list of downstream goods for which, due to the complexity of the supply chain and without prejudice to the environmental integrity of the CBAM, no mark-up is to apply.**

*Article 8*

***Verification of embedded emissions***

1. Where the embedded emissions are determined on the basis of actual emissions, the ~~The~~ authorised CBAM declarant shall ensure that the total embedded emissions declared in the CBAM declaration submitted pursuant to Article 6 are verified by a verifier accredited pursuant to Article 18, based on the verification principles set out in Annex VI.

2. For embedded emissions in goods produced in installations in a third country registered in accordance with Article 10, the authorised CBAM declarant may choose to use verified information disclosed to it in accordance with Article 10(7) to fulfil the obligation referred to in paragraph 1 of this Article.

3. The Commission is empowered to adopt implementing acts for the application of the verification principles set out in Annex VI as regards:

(a) the possibility to waive, in duly justified circumstances and without putting at risk a reliable estimation of the embedded emissions, the obligation for the verifier to visit the installation where relevant goods are produced;

(b) the definition of thresholds for deciding whether misstatements or non-conformities are material; and

(c) the supporting documentation needed for the verification report, including its format.

[10] Commission Implementing Regulation (EU) 2018/2066 of 19 December 2018 on the monitoring and reporting of greenhouse gas emissions pursuant to Directive 2003/87/EC of the European Parliament and of the Council and amending Commission Regulation (EU) No 601/2012 (OJ L 334, 31.12.2018, p. 1).

[11] Commission Delegated Regulation (EU) 2019/331 of 19 December 2018 determining transitional Union-wide rules for harmonised free allocation of emission allowances pursuant to Article 10a of Directive 2003/87/EC of the European Parliament and of the Council (OJ L 59, 27.2.2019, p. 8).

PUBLIC

Where it adopts the implementing acts referred to in the first subparagraph, the Commission shall seek equivalence and coherence with the procedures set out in Implementing Regulation (EU) 2018/2067. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation.

*Article 9*

***Carbon price paid in a third country***

1. Where the embedded emissions are determined on the basis of actual emissions, ~~An~~ an authorised CBAM declarant may claim in the CBAM declaration a reduction in the number of CBAM certificates to be surrendered in order to take into account the carbon price paid in ~~the country of origin~~ a third country for the declared embedded emissions. The reduction may be claimed only if the carbon price has been effectively paid in ~~the country of origin~~ a third country. In such a case, any rebate or other form of compensation available in that country that would have resulted in a reduction of that carbon price shall be taken into account.

2. The authorised CBAM declarant shall keep records of the documentation required to demonstrate that the declared embedded emissions were subject to a carbon price in ~~the country of origin of the goods~~ a third country that has been effectively paid as referred to in paragraph 1. The authorised CBAM declarant shall in particular keep evidence related to any rebate or other form of compensation available, in particular the references to the relevant legislation of that country. The information contained in that documentation shall be certified by a person that is independent from **~~the authorised CBAM declarant and from~~** the authorities of ~~the country of origin~~ the third country. The name and contact information of that independent person shall appear on the documentation. The authorised CBAM declarant shall also keep evidence of the actual payment of the carbon price.

**The independent person referred to in the first subparagraph may be a legal person accredited by a national accreditation body for the relevant scope of accreditation.**

3. The authorised CBAM declarant shall keep the records referred to in paragraph 2 until the end of the fourth year after the year during which the CBAM declaration has been or should have been submitted.

4. By way of derogation from paragraphs 1, 2 and 3, an authorised CBAM declarant may claim, in the CBAM declaration, a reduction in the number of CBAM certificates to be

surrendered in order to take into account the carbon price paid for the declared embedded emissions, by reference to yearly default carbon prices. In such a case, any rebate or other form of compensation available in that country that would have resulted in a reduction of that default carbon price shall be taken into account. The reduction may be claimed only where a carbon price was set by the rules applicable in the third country and a yearly default carbon price can be determined, including on a conservative basis, for that third country. Where the embedded emissions are determined on the basis of default values, a reduction may be claimed only by a reference to yearly default carbon prices.

As from 2027, the Commission may, for third countries where carbon pricing rules are in place, determine and make available, in the CBAM registry referred to in Article 14, the default carbon prices for those third countries and publish the methodology for their calculation. The Commission shall do so on the basis of the best available data from reliable, publicly available information and information provided by those third countries. The Commission shall take into account any rebate or other form of compensation available in the relevant third country that would have resulted in a reduction of the default carbon price.

5. The Commission is empowered to adopt implementing acts**, based on the principle of equivalence,** concerning the conversion of the yearly average carbon price effectively paid in accordance with paragraph 1 of this article and of the yearly default carbon prices determined in accordance to paragraph 4 of this article into a corresponding reduction of the number of CBAM certificates to be surrendered~~, including~~. Those acts shall also govern the conversion of the carbon price ~~effectively paid~~ expressed in foreign currency into euro at the yearly average exchange rate, the evidence required of the actual payment of the carbon price, examples of any relevant rebate or other form of compensation referred to in paragraph 1 of this Article, the qualifications of the independent person referred to in paragraph 2 of this Article and the conditions to ascertain that person's **qualifications and** independence. **The qualifications mentioned in the previous paragraph shall include the granting of accreditation by a national accreditation body, the specification of the certification procedures, and the appropriate exchanges of information between the independent person, national accreditation bodies, the European Commission and competent authorities. The Commission is also empowered to regulate the conditions for deducting carbon credits under Article 6 of the Paris Agreement.** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

**The qualifications referred to in the first subparagraph shall include the granting of accreditation by a national accreditation body, the specification of the certification procedures and the appropriate exchanges of information between the independent person, national accreditation bodies, the Commission and competent authorities.**

*Article 10*

***Registration of operators and of installations in third countries***

1. **To allow the verification of embedded emissions on the basis of actual emissions as well as the determination, where applicable, of the carbon price paid in a third country, t**~~T~~he Commission shall, upon request by an operator of an installation located in a third country, register the information on that operator and on its installation in the CBAM registry referred to in Article 14.

2. The request for registration referred to in paragraph 1 shall contain the following information to be included in the CBAM registry upon registration:

(a) the name, address, corporate or activity registration number and contact information of the operator, and, if applicable, of its controlling entities including the parent company of that operator, together with the supporting documents;

(b) the location of each installation including the complete address and geographical coordinates expressed in longitude and latitude, including six decimals;

(c) the main economic activity of the installation.

3. The Commission shall notify the operator of the registration in the CBAM registry. The registration shall be valid for a period of five years from the date of its notification to the operator of the installation.

4. The operator shall inform the Commission without delay of any changes in the information referred to in paragraph 2 arising after the registration, and the Commission shall update the relevant information in the CBAM registry.

5. The operator shall:

(a) determine the embedded emissions calculated in accordance with the methods set out in Annex IV, by type of goods produced at the installation referred to in paragraph 1 of this Article;

PUBLIC

(b) ensure that the embedded emissions referred to in point (a) of this paragraph are verified in accordance with the verification principles set out in Annex VI by a verifier accredited pursuant to Article 18;

(c) keep a copy of the verification report as well as records of the information required to calculate the embedded emissions in goods in accordance with the requirements laid down in Annex V for a period of four years after the verification has been performed, and, where applicable, a copy of the documentation required to demonstrate that the declared embedded emissions were subject to a carbon price in a third country that has been effectively paid, until the end of the fourth year after the year during which the independent person has certified the information contained in that documentation in accordance with Article 9(2);

(d) determine, where applicable, the carbon price paid in a third country in accordance with Article 9, and upload accompanying documentation and evidence.

**(e) ensure, where applicable pursuant to Article 6(7), that the conditions laid down for the use of actual emissions, for relevant combinations of goods and origins, are met.**

6. The records referred to in paragraph 5, point (c), of this Article shall be sufficiently detailed to enable the verification of the embedded emissions in accordance with Article 8 and Annex VI, and to enable the review, in accordance with Article 19, of the CBAM declaration made by an authorised CBAM declarant to whom the relevant information was disclosed in accordance with paragraph 7 of this Article.

7. An operator may disclose the information on the **conditions for the use of actual emissions, for the relevant combinations of goods and origins pursuant to Article 6(7), the** verification of embedded emissions and the carbon price paid in a third country referred to in paragraph 5 of this Article to an authorised CBAM declarant **or to another operator**. **The operator may disclose to the authorised CBAM declarant only a summary of the information contained in paragraph 5, points (a), (b), (c) and (e).** The authorised CBAM declarant shall be entitled to use that disclosed information in order to fulfil the obligation referred to in Article 8.

**Where the authorised CBAM declarant chooses to submit the CBAM declaration on the basis of this disclosed information, the authorised CBAM declarant shall remain responsible for surrendering the correct number of CBAM certificatespursuant to Article 22(1).**

8. The operator may, at any time, ask to be deregistered from the CBAM registry. The Commission shall, upon such request, and after notifying the competent authorities, deregister the operator and delete the information on that operator and on its installation from the CBAM registry, provided that such information is not necessary for the review of CBAM declarations that have been submitted. The Commission may, after having given the operator concerned the possibility to be heard and having consulted with the relevant competent authorities, also deregister the information if the Commission finds that the information on that operator is no longer accurate. The Commission shall inform the competent authorities of such deregistrations.

*Article 10a*

**Registration of accredited verifiers**

1. Where an accreditation is granted in accordance with Article 18, the verifier shall submit a request for registration in the CBAM registry to the competent authority of the Member State in which the national accreditation body is established. The verifier shall submit the request for registration within two months of the date on which the accreditation was granted, but not before 1 September 2026. The competent authority shall register the information on the accredited verifier in the CBAM registry.

2. The request for registration in the CBAM registry referred in paragraph 1 shall at least contain the following information:

(a) the name, and unique accreditation identification of the verifier;
(b) any scope of accreditation relevant for CBAM;
(c) the country of establishment of the verifier;
(d) the effective date of accreditation and expiry date of accreditation certificates relevant for CBAM;
(e) any information on administrative measures imposed on the verifier relevant for CBAM;
(f) copy of the accreditation certificate relevant for CBAM.

The information referred to in the first subparagraph shall be included in the CBAM registry upon the registration of the verifier.

3. The competent authority shall notify the verifier of the registration in the CBAM registry. The competent authority shall also notify, through the CBAM registry, the Commission and the other competent authorities of the registration.

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4. The verifier shall notify the competent authority of any changes to the information referred to in paragraph 2 arising after the registration in the CBAM registry. The competent authority shall ensure that the CBAM registry is updated accordingly.

5. For the purpose of Article 10(5), point (b), the verifier shall use the CBAM registry to verify the embedded emissions.

6. The competent authority shall deregister a verifier from the CBAM registry where that verifier is no longer accredited pursuant Article 18 or where the verifier has not complied with the obligation laid down in paragraph 4 of this Article. The competent authority shall notify the Commission and the other competent authorities of the deregistration. The competent authority shall delete the information on that accredited verifier from the CBAM registry provided that such information is not necessary for the review of CBAM declarations that have been submitted.

## CHAPTER III

## COMPETENT AUTHORITIES

*Article 11*

***Competent authorities***

1. Each Member State shall designate the competent authority to carry out the functions and duties under this Regulation ~~and~~ inform the Commission thereof and ensure that the competent authority has all the powers necessary to perform those functions and duties.

The Commission shall make available to the Member States a list of all competent authorities and publish that information in the *Official Journal of the European Union* and make that information available in the CBAM registry.

2. Competent authorities shall exchange any information that is essential or relevant to the exercise of their functions and duties under this Regulation.

3. For the purpose of the report referred to in Article 30(6), the competent authorities shall provide, at the request of the Commission and on the basis of the questionnaire, relevant information on the implementation of this Regulation.

*Article 12*

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***Commission***

In addition to the other tasks that it exercises under this Regulation, the Commission shall assist the competent authorities in carrying out their functions and duties under this Regulation and shall coordinate their activities by supporting the exchange of, and issuing guidelines on, best practices within the scope of this Regulation, and by promoting an adequate exchange of information and cooperation between competent authorities as well as between competent authorities and the Commission.

*Article 13*

***Professional secrecy and disclosure of information***

1. All information acquired by the competent authority or the Commission in the course of performing their duties which is by its nature confidential or which is provided on a confidential basis shall be covered by the obligation of professional secrecy. Such information shall not be disclosed by the competent authority or the Commission without the express prior permission of the person or authority that provided it or by virtue of Union or national law.

2. By way of derogation from paragraph 1, the competent authorities and the Commission may share such information with each other, the customs authorities, the authorities in charge of administrative or criminal penalties, and the European Public Prosecutor's Office, for the purposes of ensuring compliance of persons with their obligations under this Regulation and the application of customs legislation. Such shared information shall be covered by professional secrecy and shall not be disclosed to any other person or authority except by virtue of Union or national law.

*Article 14*

***CBAM registry***

1. The Commission shall establish a CBAM registry of authorised CBAM declarants in the form of a standardised electronic database containing the data regarding the CBAM certificates of those authorised CBAM declarants. The Commission shall make the information in the CBAM registry available automatically and in real time to customs authorities and competent authorities.

2. The CBAM registry referred to in paragraph 1 shall contain accounts with information about each authorised CBAM declarant, in particular:

(a) the name, address and contact information of the authorised CBAM declarant;

PUBLIC

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(b) the EORI number of the authorised CBAM declarant;

(c) the CBAM account number;

(d) the identification number, the sale price, the date of sale, and the date of surrender, repurchase or cancellation of CBAM certificates for each authorised CBAM declarant.

3. The CBAM registry shall contain, in a separate section of the registry, the information about the operators and installations in third countries registered in accordance with Article 10(2) and the information about the accredited verifiers registered in accordance with Article 10a.

4. The information in the CBAM registry referred to in paragraphs 2 and 3 shall be confidential, with the exception of the names, addresses, corporate or activity registration numbers, ~~and~~ contact information of the operators, ~~and~~ the location of installations in third countries and the information on accredited verifiers referred to in Article 10a(2). An operator may choose not to have its name, address, corporate or activity registration number, ~~and~~ contact information and the location of its installations made accessible to the public. The public information in the CBAM registry shall be made accessible by the Commission in an interoperable format.

5. The Commission shall publish, on a yearly basis, for each of the goods listed in Annex I, the aggregated emissions embedded in the imported goods.

6. The Commission shall adopt implementing acts concerning the infrastructure and specific processes and procedures of the CBAM registry, including the risk analysis referred to in Article 15, the electronic databases containing the information referred to in paragraphs 2 and 3 of this Article, the procedures and the technical credentials for the delegation referred to in Article 5(7a), the data of the accounts in the CBAM registry referred to in Article 16, the transmission to the CBAM registry of the information on the sale, and repurchase ~~and cancellation~~ of CBAM certificates referred to in Article 20, the cross-check of information referred to in Article 25(3) and the information referred to in Article 25a(3). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

*Article 15*

***Risk analysis***

1. The Commission shall carry out risk-based controls on the data and the transactions recorded in the CBAM registry, referred to in Article 14, to ensure that there are no irregularities in the purchase, holding, surrender, repurchase and cancellation of CBAM certificates.

2. If the Commission identifies irregularities as a result of the controls carried out under paragraph 1, it shall inform the competent authorities concerned so that further investigations are carried out in order to correct the identified irregularities.

*Article 16*

***Accounts in the CBAM registry***

1. The Commission shall assign to each authorised CBAM declarant a unique CBAM account number.

2. Each authorised CBAM declarant shall be granted access to its account in the CBAM registry.

3. The Commission shall set up the account as soon as the authorisation referred to in Article 17(1) is granted and shall notify the authorised CBAM declarant thereof.

4. If the authorised CBAM declarant has ceased its economic activity or its authorisation has been revoked, the Commission shall close the account of that authorised CBAM declarant, provided that the authorised CBAM declarant has complied with all its obligations under this Regulation.

*Article 17*

***Authorisation***

1. Where an application for an authorisation is submitted in accordance with Article 5, the competent authority in the Member State in which the applicant is established shall grant the status of authorised CBAM declarant provided that the criteria set out in paragraph 2 of this Article are complied with. The status of authorised CBAM declarant shall be recognised in all Member States.

Before granting the status of authorised CBAM declarant, the competent authority ~~shall conduct a consultation procedure on the application for an authorisation via the CBAM registry. The consultation procedure shall involve the competent authorities in the other Member States and the Commission and~~ may consult relevant competent authorities or the Commission via the CBAM registry on the fulfilment of the criteria set out in paragraph 2. The consultation shall not exceed 15 calendar days.

2. The criteria for granting the status of authorised CBAM declarant shall be the following:

PUBLIC

(a) the applicant has not been involved in a serious infringement or in repeated infringements of customs legislation, taxation rules, market abuse rules or this Regulation and delegated and implementing acts adopted under this Regulation, and in particular the applicant has no record of serious criminal offences relating to its economic activity during the five years preceding the application;

(b) the applicant demonstrates its financial and operational capacity to fulfil its obligations under this Regulation;

(c) the applicant is established in the Member State where the application is submitted; and

(d) the applicant has been assigned an EORI number in accordance with Article 9 of Regulation (EU) No 952/2013.

3. Where the competent authority finds that the criteria set out in paragraph 2 of this Article are not fulfilled, or where the applicant has failed to provide information listed in Article 5(5), the granting of the status of authorised CBAM declarant shall be refused. Such decision to refuse the status of authorised CBAM declarant shall provide the reasons for the refusal and include information on the possibility to appeal.

4. A decision of the competent authority granting the status of authorised CBAM declarant shall be registered in the CBAM registry and shall contain the following information:

(a) the name, address and contact information of the authorised CBAM declarant;

(b) the EORI number of the authorised CBAM declarant;

(c) the CBAM account number assigned to the authorised CBAM declarant in accordance with Article 16(1); (d) the guarantee required in accordance with paragraph 5 of this Article.

5. For the purpose of complying with the criteria set out in paragraph 2, point (b), of this Article, the competent authority shall require the provision of a guarantee if the applicant was not established throughout the two financial years preceding the year when the application in accordance with Article 5(1) was submitted.

The competent authority shall fix the amount of such guarantee at the amount, calculated as the aggregate value of the number of CBAM certificates that the authorised CBAM declarant would have to surrender in accordance with Article 22 in respect of the imports of goods reported in accordance with Article 5(5), point (g)~~.~~, taking into account the adjustment necessary to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with

Article 31. The guarantee provided shall be a bank guarantee, payable at first demand, by a financial institution operating in the Union or another form of guarantee which provides equivalent assurance.

**5a. By way of derogation from paragraph 5, where the competent authority finds that the applicant or the authorised CBAM declarant does not demonstrate its financial capacity to fulfil its obligations under this Regulation, including by failing to comply with the requirement set out in Article 22(2), the competent authority may require the provision of a guarantee.**

**The competent authority shall fix the amount of such guarantee at the amount, calculated as the aggregate value of the number of CBAM certificates that the authorised CBAM declarant would have to surrender in accordance with Article 22 in respect of one of the following:**

**(a) imports of goods reported in accordance with Article 5(5), point (g);**

**(b) the amount of imported goods declared in the customs declaration and other relevant information available to the competent authority from the previous two calendar years; or**

**(c) an estimation as if the single mass-based threshold were exceeded by an average corresponding to the relevant sectors covered by this Regulation.**

**The guarantee provided shall be a bank guarantee, payable at first demand, by a financial institution operating in the Union or another form of guarantee which provides equivalent assurance.**

6. Where the competent authority establishes that the guarantee provided does not ensure, or is no longer sufficient to ensure, the financial and operational capacity of the authorised CBAM declarant to fulfil its obligations under this Regulation, it shall require the authorised CBAM declarant to choose between providing an additional guarantee or replacing the initial guarantee with a new guarantee in accordance with paragraph 5.

7. **Where a guarantee is required in accordance with paragraph 5, t**~~T~~he competent authority shall release the guarantee immediately after ~~31 May~~ 30 September of the second year in which the authorised CBAM declarant has surrendered CBAM certificates in accordance with Article 22.

**Where a guarantee is required in accordance with paragraph 5a, the competent authority shall release the guarantee immediately after 30 September of the second year in which the authorised CBAM declarant has surrendered CBAM certificates in accordance with Article 22. Notwithstanding the foregoing, the competent authority may decide to extend the duration of the guarantee where such extension is duly justified.**

**Where the authorised CBAM declarant does not surrender the sufficient amount of CBAM certificates in accordance with Article 22 and following a decision in accordance with Article 19(5), the competent authority shall use the provided guarantee to recover the outstanding financial adjustment.**

**The competent authority shall determine the amount to recover based on the number of certificates that should have been surrendered and the price of certificates on the date where the decision was taken.**

7a. By way of derogation from Article 4, where an importer or an indirect customs representative has submitted an application in accordance with Article 5 by 31 March 2026, such an importer or indirect customs representative may provisionally continue to import goods until the competent authority takes a decision under this Article.

Where the competent authority refuses to grant the authorisation in accordance with paragraph 3 of this Article, the competent authority shall establish, within one month of the date of the decision, the emissions embedded in the goods imported between 1 January 2026 and the date of that decision on the basis of the information communicated in accordance with Article 25(3) and by reference to default values in accordance with the methods set out in Annex IV, and on the basis of any other relevant information.

Those established emissions shall be used for the calculation of penalties in accordance with Article 26(2a).

8. The competent authority shall revoke the status of authorised CBAM declarant where:

(a) the authorised CBAM declarant requests a revocation; or

(b) the authorised CBAM declarant no longer meets the criteria set out in paragraph 2 or 6 of this Article, or has been involved in a serious or repeated infringement of the obligation to surrender CBAM certificates referred to in Article 22(1) or of the obligation to ensure a sufficient number of CBAM certificates on its account in the CBAM registry at the end of each quarter referred to in Article 22(2).

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Before revoking the status of authorised CBAM declarant, the competent authority shall give the authorised CBAM declarant the possibility to be heard. The competent authority may consult relevant competent authorities or the Commission via the CBAM registry on the conditions and criteria for the revocation. ~~and shall conduct a consultation procedure on the possible revocation of such status. The consultation procedure shall involve the competent authorities in the other Member States and the Commission and~~ The consultation shall not exceed 15 calendar days.

Any decision of revocation shall contain the reasons for the decision as well as information about the right to appeal.

9. The competent authority shall register in the CBAM registry information on: (a) the applicants whose application for an authorisation has been refused pursuant to paragraph 3; and (b) the persons whose status of authorised CBAM declarant has been revoked pursuant to paragraph 8.

10. The Commission shall adopt, by means of implementing acts, the conditions for:

(a) the application of the criteria referred to in paragraph 2 of this Article, including that of not having been involved in a serious infringement or in repeated infringements under paragraph 2, point (a), of this Article;

(b) the application of the guarantee referred to in paragraphs 5, 6 and 7 of this Article;

(c) the application of the criteria of a serious or repeated infringement referred to in paragraph 8 of this Article;

(d) the consequences of the revocation of the status of authorised CBAM declarant referred to in paragraph 8 of this Article; and

(e) the specific deadlines, scope and format of the consultation procedure referred to in paragraphs 1 and 8 of this Article.

The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).

*Article 18*

***Accreditation of verifiers***

~~1. Any person accredited in accordance with Implementing Regulation (EU) 2018/2067 for a relevant group of activities shall be an accredited verifier for the purpose of this Regulation. The Commission is empowered to adopt implementing acts to identify relevant groups of activities~~

~~by providing an alignment of the qualifications of an accredited verifier that are necessary to perform verifications for the purpose of this Regulation with the relevant group of activities listed in Annex I to Implementing Regulation (EU) 2018/2067 and indicated in the accreditation certificate. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation.~~

2. A national accreditation body may, on request, accredit a legal person to be a verifier for the purpose of this Regulation where it considers, on the basis of the documentation submitted to it, that such person has the capacity to apply the verification principles referred to in Annex VI when performing the tasks of verification of the embedded emissions pursuant to Articles 8 and 10. Where the legal person is accredited in accordance with Implementing Regulation (EU) 2018/2067 for a relevant group of activities, the national accreditation body shall take such an accreditation into account for the assessment of the qualifications of an accredited verifier that are necessary to perform the verifications for the purpose of this Regulation.

3. The Commission is empowered to adopt delegated acts in accordance with Article 28 in order to supplement this Regulation by specifying the conditions for granting of accreditation referred to in paragraph 2 of this Article, for the control and oversight of accredited verifiers, for the withdrawal of accreditation and for mutual recognition and peer evaluation of accreditation bodies. **Those delegated acts shall also specify the verification procedures to be used by verifiers.**

*Article 19*

***Review of CBAM declarations***

1. The Commission shall have the oversight role in the review of CBAM declarations.

2. The Commission may review CBAM declarations, in accordance with a review strategy, including risk factors, within the period ending with the fourth year after the year during which the CBAM declarations should have been submitted.

The review may consist in verifying the information provided in the CBAM declaration and in verification reports on the basis of the information communicated by the customs authorities in accordance with Article 25, any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised CBAM declarant.

The Commission shall communicate the initiation and the results of the review to the competent authority of the Member State where the CBAM declarant is established, via the CBAM registry.

The competent authority of the Member State where the authorised CBAM declarant is established may also review a CBAM declaration within the period referred to in the first subparagraph of this paragraph. The competent authority shall communicate the initiation and the results of a review to the Commission, via the CBAM registry.

**2a. Where the embedded emissions are determined on the basis of actual emissions, the Commission or the competent authority of the Member State where the CBAM declarant is established may, as part of the review of the CBAM declaration, request the authorised CBAM declarant to provide evidence that the goods imported were produced at the installation referred to in the CBAM declaration.**

3. The Commission shall periodically set out specific risk factors and points for attention, based on a risk analysis in relation to the implementation of the CBAM at Union level, taking into account information contained in the CBAM registry, data communicated by customs authorities, and other relevant information sources, including the controls and checks carried out pursuant to Article 15(2) and Article 25.

The Commission shall also facilitate the exchange of information with competent authorities about fraudulent activities, the conclusions reached pursuant to Article 25a and the penalties imposed in accordance with Article 26.

4. Where an authorised CBAM declarant fails to submit a CBAM declaration in accordance with Article 6, or where the Commission considers, on the basis of its review under paragraph 2 of this Article, that the declared number of CBAM certificates is incorrect, the Commission shall assess the obligations under this Regulation of that authorised CBAM declarant on the basis of the information at its disposal. The Commission shall establish a preliminary calculation of the total number of CBAM certificates which should have been surrendered, at the latest by the 31 December of the year following that in which the CBAM declaration should have been submitted, or at the latest by 31 December of the fourth year following that in which the incorrect CBAM declaration has been submitted, as applicable. The Commission shall provide to competent authorities such a preliminary calculation, for indicative purposes and without prejudice to the definitive calculation established by the competent authority of the Member State where the authorised CBAM declarant is established.

5. Where the competent authority concludes that the declared number of CBAM certificates to be surrendered is incorrect, or that no CBAM declaration has been submitted in accordance with Article 6, it shall determine the number of CBAM certificates which should have been

surrendered by the authorised CBAM declarant, taking into account the information submitted by the Commission.

The competent authority shall notify the authorised CBAM declarant of its decision on the number of CBAM certificates determined and shall request that the authorised CBAM declarant surrender the additional CBAM certificates within one month.

The competent authority's decision shall contain the reasons for the decision as well as information about the right to appeal. The decision shall also be notified via the CBAM registry.

Where the competent authority, after receiving the preliminary calculation from the Commission in accordance with paragraphs 2 and 4 of this Article, decides not to take any action, the competent authority shall inform the Commission accordingly, via the CBAM registry.

6. Where the competent authority concludes that the number of CBAM certificates surrendered exceeds the number which should have been surrendered, it shall inform the Commission without delay. The CBAM certificates surrendered in excess shall be repurchased in accordance with Article 23.

## CHAPTER IV

## CBAM CERTIFICATES

*Article 20*

***Sale of CBAM certificates***

1. From 1 February 2027, a ~~A~~ Member State shall sell CBAM certificates on a common central platform to authorised CBAM declarants established in that Member State.

2. The Commission shall establish and manage the common central platform following a joint procurement procedure between the Commission and the Member States.

The Commission and the competent authorities shall have access to the information in the common central platform.

3. The information on the sale~~,~~ and repurchase ~~and cancellation~~ of CBAM certificates in the common central platform shall be transferred to the CBAM registry at the end of each working day.

4. CBAM certificates shall be sold to authorised CBAM declarants at the price calculated in accordance with Article 21.

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5. The Commission shall ensure that each CBAM certificate is assigned a unique identification number upon its creation. The Commission shall register the unique identification number and the price and date of sale of the CBAM certificate in the CBAM registry in the account of the authorised CBAM declarant purchasing that certificate.

5a. The costs incurred in connection with the establishment, operation and management of the common central platform shall be financed by fees payable by authorised CBAM declarants.

For the duration of the first joint public procurement contract for the establishment, operation and management of the common central platform, those costs shall initially be borne by the general budget of the Union. To that end, the revenues generated by the fees shall constitute internal assigned revenue in accordance with Article 21(3), point (a) of Regulation (EU, Euratom) No ~~2509/2024~~ 2024/2509 of the European Parliament and of the Council*. Those revenues shall be assigned to cover the costs of the establishment, operation and management of the common central platform. Any revenue remaining after covering those costs shall be assigned to the Union budget.

For the duration of the subsequent joint procurement contracts for the operation and management of the common central platform, the Commission shall adopt a delegated act in accordance with Article 28, supplementing this Regulation, in order to determine that the fees payable by authorised CBAM declarants shall directly finance the costs of the operation and management of the common central platform.

6. The Commission ~~shall~~ is empowered to adopt delegated acts in accordance with Article 28 supplementing this Regulation by further specifying the timing, administration, structure and level of fees and other aspects related to the management of the sale and repurchase of CBAM certificates, as well as the organisation and use of the common central platform, seeking coherence with the procedures laid down in ~~of~~ Commission Delegated Regulation (EU) No ~~1031/2010~~ 2023/2830 *. The delegated acts shall ensure that the organisation and use of the common central platform is cost-efficient, that the level of fees is set so as to strictly cover the relevant costs and that undue administrative costs are avoided.

* Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: http://data.europa.eu/eli/reg/2024/2509/oj).';

* Commission Delegated Regulation (EU) 2023/2830 of 17 October 2023 supplementing Directive 2003/87/EC of the European Parliament and of the Council by laying down rules on the timing, administration and other aspects of

auctioning of greenhouse gas emission allowances (OJ L, 2023/2830, 20.12.2023, ELI: http://data.europa.eu/eli/reg_del/2023/2830/oj).

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*Article 21*

***Price of CBAM certificates***

1. The Commission shall calculate the price of CBAM certificates as the average of the closing prices of EU ETS allowances on the auction platform, in accordance with the procedures laid down in Delegated Regulation (EU) No ~~1031/2010~~ 2023/2830, for each calendar week.

For those calendar weeks in which **~~no auctions are scheduled~~there is no auction** on the auction platform, the price of CBAM certificates shall be the average of the closing prices of EU ETS allowances of the last week in which auctions on the auction platform took place. **For those calendar weeks in which only one auction takes place on the auction platform, the price of CBAM certificates shall be the average of that closing price and the closing prices of the last week in which several auctions took place on the auction platform.**

1a. By way of derogation from paragraph 1, the Commission shall calculate the price of CBAM certificates that corresponds to the embedded emissions declared in respect of the year 2026 in accordance with Article 6(2), point (b), as the quarterly average of the closing prices of EU ETS allowances on the auction platform, in accordance with the procedures laid down in Delegated Regulation (EU) 2023/2830, of the quarter of importation of the goods in which those emissions are embedded.

2. The Commission shall publish the **~~average price, as referred to in the second subparagraph of paragraph 1,~~ price of CBAM certificates** on its website or in any other appropriate manner on the first working day of the following calendar week. That price shall apply from the first working day following that of its publication to the first working day of the following calendar week.

3. The Commission is empowered to adopt implementing acts on the application of the methodology provided for in paragraph 1 and 1a of this Article to calculate the ~~average~~ price of CBAM certificates and the practical arrangements for the publication of that price. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

*Article 22*

***Surrender of CBAM certificates***

1. By ~~31 May~~ 30 September of each year, and for the first time in 2027 for the year 2026, the authorised CBAM declarant shall surrender via the CBAM registry a number of CBAM certificates that corresponds to the embedded emissions declared in accordance with Article 6(2), point (c), and verified in accordance with Article 8, for the calendar year preceding the surrender. The Commission shall remove surrendered CBAM certificates from the CBAM registry. The authorised CBAM declarant shall ensure that the required number of CBAM certificates is available on its account in the CBAM registry.

2. From 2027, ~~T~~ the authorised CBAM declarant shall ensure that the number of CBAM certificates on its account in the CBAM registry at the end of each quarter corresponds to at least ~~80 %~~ 50% of the embedded emissions in all goods it has imported since the beginning of the calendar year, determined by reference to ~~default values in accordance with the methods set out in Annex IV, in all goods it has imported since the beginning of the calendar year.~~ either of the following:

(a) default values in accordance with the methods set out in Annex IV without the mark-up as referred to in point 4.1 of that Annex; or

(b) the number of CBAM certificates surrendered in accordance with paragraph 1 for the calendar year preceding the year of the surrender, provided that the customs declaration for the import of goods refers to the same goods by CN code and countries of origin as the CBAM declaration submitted in the calendar year preceding the current year.

For the purpose of this paragraph, the adjustment for free allocation referred to in Article 31 shall be taken into account.

**From 2028, the calculation referred to in the first subparagraph shall be based only on CBAM certificates purchased by the authorised CBAM declarant during that same year.**

2a. The authorised CBAM declarant shall comply with the obligation laid down in paragraph 2 by the end of the quarter following that in which the single mass-based threshold is exceeded.

3. Where the Commission finds that the number of CBAM certificates in the account of an authorised CBAM declarant does not comply with the obligations pursuant to paragraph 2, it shall inform, via the CBAM registry, the competent authority of the Member State where the authorised CBAM declarant is established.

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The competent authority shall notify the authorised CBAM declarant of the need to ensure a sufficient number of CBAM certificates in its account within one month of such notification.

The competent authority shall register the notification to, and the response from, the authorised CBAM declarant in the CBAM registry.

*Article 23*

***Repurchase of CBAM certificates***

1. Where an authorised CBAM declarant so requests, the Member State where that authorised CBAM declarant is established shall repurchase the excess CBAM certificates remaining on the account of the declarant in the CBAM registry after the certificates have been surrendered in accordance with Article 22.

The ~~**Commission shall repurchase the**~~ excess CBAM certificates **shall be repurchased** through the common central platform referred to in Article 20 ~~**on behalf of the Member State where the authorised CBAM declarant is established**~~. The authorised CBAM declarant shall submit the repurchase request by ~~30 June~~ 31 October of each year during which CBAM certificates were surrendered.

2. The number of certificates subject to repurchase as referred to in paragraph 1 shall be limited to ~~one third of~~ the total number of CBAM certificates ~~purchased by~~ that the authorised CBAM declarant had an obligation to purchase pursuant to Article 22(2) during the calendar year of the purchase of the CBAM certificates ~~during the previous calendar year~~.

Where an authorised CBAM declarant who has been purchasing CBAM certificates in a calendar year on the basis of an expectation of exceeding the single mass-based threshold does not exceed such a threshold, all those CBAM certificates shall be repurchased upon request of the authorised declarant pursuant to paragraph 1 of this Article.

2a. By way of derogation from paragraph 2, CBAM certificates purchased in 2027 in respect of the embedded emissions for the year 2026 may only be repurchased in 2027.

3. The repurchase price for each CBAM certificate shall be the price paid by the authorised CBAM declarant for that certificate at the time of purchase.

*Article 24*

***Cancellation of CBAM certificates***

1. On 1 ~~July~~ November of each year, the Commission shall cancel any CBAM certificates that were purchased during the year before the previous calendar year and that remained in the account of an authorised CBAM declarant in the CBAM registry. Those CBAM certificates shall be cancelled without any compensation.

2. By way of derogation from paragraph 1, on 1 November 2027, the Commission shall cancel any CBAM certificates purchased in respect of the embedded emissions ~~for~~ the year 2026. Those CBAM certificates shall be cancelled without any compensation.

3. Where the number of CBAM certificates to be surrendered is contested in a pending dispute in a Member State, the Commission shall suspend the cancellation of the CBAM certificates to the extent corresponding to the disputed amount. The competent authority of the Member State where the authorised CBAM declarant is established shall communicate without delay any relevant information to the Commission.

CHAPTER V

**RULES APPLICABLE TO THE IMPORTATION OF GOODS**

*Article 25*

***Rules applicable to the importation of goods***

1. Without prejudice to Article 2a, ~~T~~ the customs authorities shall not allow the importation of goods by any person other than an authorised CBAM declarant.

2. The customs authorities shall periodically and automatically, in particular by means of the surveillance mechanism established pursuant to Article 56(5) of Regulation (EU) No 952/2013, communicate to the Commission specific information on the goods declared for importation. That information shall include the EORI number ~~and~~ or the form of identification declared in accordance with Article 6(2) of Delegated Regulation (EU) 2015/2446, of the importer or of the authorised CBAM declarant as well as the CBAM account number of the authorised CBAM declarant, the eight-digit CN code of the goods, the quantity, the country of origin, the date of the customs declaration and the customs procedure**, as well as any other data relevant for compliance with this Regulation including, where applicable, bills of discharge, re-export declarations and equivalent customs documentation**. Where the importer has no EORI

number, the customs authorities shall also communicate the name, address and, where available, contact information of the importer to the Commission.

**The CBAM account number provided in the customs declaration or any other relevant document when declaring goods listed in Annex I or processed products obtained from such goods for importation, shall determine the authorised CBAM declarant assuming the obligations set out in this Regulation.**

3. The Commission shall communicate the information referred to in paragraph 2 of this Article periodically to the competent authority of the Member State where the authorised CBAM declarant or the importer is established and shall, for each CBAM declarant ~~or the importer~~, cross-check that information with the data in the CBAM registry pursuant to Article 14.

**Where the competent authority considers that the information is incorrect or inaccurate, the competent authority may request the customs authorities or the Commission to verify the correctness or the accuracy of that information.**

4. The customs authorities may communicate, in accordance with Article 12(1) of Regulation (EU) No 952/2013, confidential information acquired by the customs authorities in the course of performing their duties, or provided to the customs authorities on a confidential basis, to the Commission and to the competent authority of the Member State that has granted the status of the authorised CBAM declarant or to the competent authority of the Member State where the authorised CBAM declarant or importer is established.

5. Regulation (EC) No 515/97 shall apply *mutatis mutandis* to this Regulation.

6. The Commission is empowered to adopt implementing acts defining the scope of information and the periodicity, timing and means for communicating that information pursuant to paragraph**s 2 and 3** of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

**7. The Commission is empowered to adopt implementing acts to identify the material and chemical compositions of goods listed in Annex I. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).**

*Article 25a*

**Monitoring and enforcement of the single mass-based threshold**

1. The Commission shall monitor the imports of goods for the purpose of monitoring the compliance with the single mass-based threshold.

PUBLIC

The competent authorities of the Member State where the importer is established may also monitor the compliance with the single mass-based threshold.

The Commission shall periodically and automatically exchange with competent authorities the information necessary for the monitoring of importers via the CBAM registry. Such information shall include a list of importers that exceed 90 % of the single mass-based threshold.

2. Where the Commission considers, based on a preliminary assessment and the information that the customs authorities have communicated to the Commission pursuant to Article 25(2), that an importer has exceeded the single mass-based threshold, it shall communicate that information as well as the basis for its preliminary assessment to the competent authority of the Member State where the importer is established.

The competent authority may request that the importer or the Commission provides documentary evidence necessary to assess whether the importer has exceeded the single mass-based threshold. Where the documentary evidence is insufficient to assess whether the importer has exceeded that threshold, the competent authorities may request additional documentary evidence from the customs authorities if such evidence is available.

3. Where the competent authority concludes that an importer that is not an authorised CBAM declarant has exceeded the single mass-based threshold, it shall without undue delay adopt a decision to that effect. The decision shall state the reasons on which it is based and shall include information on the right to appeal. The competent authority shall inform the importer of the obligations applicable under this Regulation including, where applicable, the obligation to obtain the status of an authorised CBAM declarant in accordance with Article 5 prior to importing any further goods. The competent authority shall also notify the customs authorities and the Commission of that decision via the CBAM registry.

Where an importer is represented by one or more indirect customs representatives and exceeds the single mass-based threshold, the competent authority shall inform the indirect customs representatives appointed thereof in accordance with Article 5(1a) or Article 5(2).

The submission of an appeal against a decision determining that the importer has exceeded the single mass-based threshold shall not have suspensive effect.

4. For the purpose of determining whether an importer has exceeded the single mass-based threshold, a competent authority shall disregard a practice, arrangement or a series thereof

PUBLIC

which has been put into place for the main purpose or one of the main purposes of falling below the single mass-based threshold and which is non-genuine.

A practice or an arrangement or a series thereof shall be regarded as not genuine where, taking into account all relevant facts and circumstances, it cannot be considered to have been put in place for valid commercial reasons related to the economic activity of the importer.

For the purpose of Article 17(2), point (a) and Article 26(2a), where the competent authority concludes that the importer has engaged in a practice arrangement, or a series thereof, that is regarded to be non-genuine, the importer shall be considered to have been involved in a serious infringement of this Regulation.

5. For the purpose of the monitoring under this Article, the Commission shall periodically, at least once per calendar year or whenever necessary, identify specific risk factors and points for attention, based on a risk analysis in relation to the single mass-based threshold taking into account information contained in the CBAM registry, data communicated by customs authorities in accordance with Article 25 and other relevant information sources, including irregularities identified as a result of the controls carried out in accordance with Article 15(1). Those risk factors and points for attention shall be communicated to the competent authorities and, where relevant, the customs authorities.

CHAPTER VI

**ENFORCEMENT**

*Article 26*

***Penalties***

1. An authorised CBAM declarant who fails to surrender, by ~~31 May~~ 30 September of each year, the number of CBAM certificates that corresponds to the emissions embedded in goods imported during the preceding calendar year shall be held liable for the payment of a penalty. Such a penalty shall be identical to the excess emissions penalty set out in Article 16(3) of Directive 2003/87/EC and increased pursuant to Article 16(4) of that Directive, applicable in the year of importation of the goods. Such a penalty shall apply for each CBAM certificate that the authorised CBAM declarant has not surrendered.

1a. By way of derogation from paragraph 1 of this Article, where an authorised CBAM declarant fails to surrender the correct number of CBAM certificates as a result of incorrect information

provided by a third party, namely an operator, a verifier or an independent person certifying the carbon price documentation referred to in Article 9(2), the competent authority may reduce the penalty referred to in paragraph 1 of this Article. The penalty thus imposed shall be effective, proportionate and dissuasive, and shall take into account in particular the duration, gravity, scope, intentional nature and repetition of the non-compliance and the level of co-operation of the authorised CBAM declarant with the competent authority.

2. Where a person other than an authorised CBAM declarant introduces goods into the customs territory of the Union without complying with the obligations under this Regulation, that person shall be held liable for the payment of a penalty. Such a penalty shall be effective, proportionate and dissuasive and shall, depending in particular on the duration, gravity, scope, intentional nature and repetition of such non-compliance and the level of cooperation of the person with the competent authority, be an amount from three to five times the penalty referred to in paragraph 1, applicable in the year of introduction of the goods, for each CBAM certificate that the person has not surrendered.

2a. Paragraph 2 shall also apply to importers other than authorised CBAM declarants, where they exceed the single mass-based threshold. For that purpose, the entirety of the emissions embedded in the goods imported by such an importer in the relevant calendar year shall be taken into account. The payment of the penalty shall release the importer from the obligation to submit a CBAM declaration and to surrender CBAM certificates in respect of those imports.

By way of derogation from the first subparagraph of this paragraph, the competent authority may reduce the penalty provided in paragraph 2 of this Article where an importer exceeded the single mass-based threshold by no more than 10 % of that threshold or in cases referred to in Article 17(7a). Such a penalty shall be effective, proportionate and dissuasive and shall not be lower than the penalty provided in paragraph 1. The payment of the penalty shall release the importer from the obligation to submit a CBAM declaration and to surrender CBAM certificates in respect of those imports.

3. The payment of the penalty in accordance with paragraphs 1 and 1a shall not release the authorised CBAM declarant from the obligation to surrender the outstanding number of CBAM certificates in a given year.

4. If the competent authority determines, including in light of the preliminary calculations made by the Commission in accordance with Article 19, that an authorised CBAM declarant has failed to comply with the obligation to surrender CBAM certificates as set out in paragraph 1 of this

PUBLIC

Article, or that a person has introduced goods into the customs territory of the Union without complying with the obligations under this Regulation as set out in paragraph 2 of this Article, the competent authority shall impose the penalty pursuant to paragraph 1 or 2 of this Article, as applicable. To that end, the competent authority shall notify the authorised CBAM declarant or, where paragraph 2 of this Article applies, the person:

(a) that the competent authority has concluded that the authorised CBAM declarant or the person referred to in paragraph 2 of this Article failed to comply with the obligations under this Regulation;

(b) of the reasons for its conclusion;

(c) of the amount of the penalty imposed on the authorised CBAM declarant or on the person referred to in paragraph 2 of this Article;

(d) of the date from which the penalty is due;

(e) of the action that the authorised CBAM declarant or the person referred to in paragraph 2 of this Article is to take to pay the penalty; and

(f) of the right of the authorised CBAM declarant or of the person referred to in paragraph 2 of this Article to appeal.

4a. For the purposes of paragraphs 1 and 2 of this Article, the competent authority shall calculate the total number of CBAM certificates that should have been surrendered, based on the net mass of the imported goods and by reference to the embedded emissions determined by default values in accordance with the methods set out in Annex IV and taking into account the adjustment for free allocation as referred to in Article 31.

5. Where the penalty has not been paid by the due date referred to in paragraph 4, point (d), the competent authority shall secure payment of that penalty by all means available to it under the national law of the Member State concerned.

6. Member States shall communicate the decisions on penalties referred to in paragraphs 1 and 2 to the Commission and shall register the final payment referred to in paragraph 5 in the CBAM registry.

*Article 27*

***Circumvention***

1. The Commission shall take action in accordance with this Article, based on relevant and objective data, to address practices of circumvention of this Regulation.

2. Practices of circumvention shall be defined as a change in the pattern of trade in goods, which stems from a practice, process or work, for which there is insufficient due cause or economic justification other than to avoid, wholly or partially, any of the obligations laid down in this Regulation. Such practice, process or work may consist of, but is not limited to:

(a) slightly modifying the goods concerned to make those goods fall under CN codes which are not listed in Annex I, except where the modification alters their essential characteristics;

(b) artificially splitting ~~shipments into consignments the intrinsic value of which does not exceed the threshold referred to in Article 2(3)~~ imports, including via non-genuine arrangements, to avoid exceeding the single mass-based threshold.

**(c) artificially adjusting the supply chains to make the goods benefit from lower default values.**

3. The Commission shall continuously monitor the situation at Union level with a view to identifying practices of circumvention, including by way of market surveillance or on the basis of any relevant source of information, such as submissions by, and reporting from, civil society organisations.

4. A Member State or any party that has been affected by, or has benefited from, any of the situations referred to in paragraph 2 may notify the Commission if it is confronted with practices of circumvention. Interested parties other than directly affected or benefited parties, such as environmental organisations and non-governmental organisations, which find concrete evidence of practices of circumvention may also notify the Commission.

5. The notification referred to in paragraph 4 shall state the reasons on which it is based and shall include relevant data and statistics to support the claim of circumvention of this Regulation. The Commission shall initiate an investigation into a claim of circumvention either where it has been notified by a Member State, or by an affected, benefited or other interested party, provided that the notification meets the requirements referred to in this paragraph, or where the Commission itself determines that such an investigation is necessary. In carrying out the investigation, the Commission may be assisted by the competent authorities and customs authorities. The

PUBLIC

PUBLIC

Commission shall conclude the investigation within nine months from the date of notification. Where an investigation has been initiated, the Commission shall notify all competent authorities.

6. Where the Commission, taking into account the relevant data, reports and statistics, including those provided by customs authorities, has sufficient reasons to believe that the circumstances referred to in paragraph 2, point (a) of this Article, are occurring in one or more Member States by way of an established pattern, it is empowered to adopt delegated acts in accordance with Article 28 to amend the list of goods in Annex I by adding the relevant slightly modified products referred to in paragraph 2, point (a), of this Article, for anti-circumvention purposes.

***Article 27a***

*Serious and unforeseen circumstances*

**The Commission shall monitor the situation at Union level with a view to monitoring the impact of the CBAM on the Union internal market. Where the Commission, taking into account the relevant evidence, considers that the inclusion of a good in Annex I causes severe harm to the Union internal market due to serious and unforeseen circumstances related to the impact on the prices of goods, it is empowered to adopt delegated acts in accordance with Article 28 to remove this good from Annex I until those serious and unforeseeable circumstances have passed.**

CHAPTER VII

**EXERCISE OF THE DELEGATION AND COMMITTEE PROCEDURE**

*Article 28*

***Exercise of the delegation***

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article~~s~~ 2(10) and ~~2~~(11), Article 2a (3), **Article 6(7),** Article 18(3), Article 20(5a) and (6)**, ~~and~~** Article 27(6) **and Article 27a** shall be conferred on the Commission for a period of five years from ~~17 May 2023~~ **~~20 October 2025~~ [date of entry into force of this amending Regulation]**. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for further periods of an identical duration, unless

the European Parliament or the Council opposes such extension not later than three months before the end of each period.

3. The delegation of power referred to in Article~~s~~ 2(10) and ~~2~~(11), Article 2a (3), **Article 6(7),** Article 18(3), Article 20(5a) and (6)**, ~~and~~** Article 27(6) **and Article 27a** may be revoked at any time by the European Parliament or by the Council.

4. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated act already in force.

5. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement of 13 April 2016 on Better Law-Making.

6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

7. A delegated act adopted pursuant to Article~~s~~ 2(10) and ~~2~~(11), Article 2a (3), **Article 6(7),** Article 18(3), Article 20(5a) and (6)**, ~~and~~** Article 27(6) **and Article 27a** shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

***Article 28***

*Urgency procedure*

**1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.**

**2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in paragraph 7 of Article 28. In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.**

PUBLIC

*Article 29*

***Committee procedure***

1. The Commission shall be assisted by the CBAM Committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

CHAPTER VIII

**REPORTING AND REVIEW**

*Article 30*

***Review and reporting by the Commission***

1. The Commission, in consultation with relevant stakeholders, shall collect the information necessary with a view to extending the scope of this Regulation as indicated in and pursuant to paragraph 2, point (a), and to developing methods of calculating embedded emissions based on environmental footprint methods.

2. Before the end of the transitional period referred to in Article 32, the Commission shall present a report to the European Parliament and to the Council on the application of this Regulation.

The report shall contain an assessment of:

(a) the possibility to extend the scope to:

(i) embedded indirect emissions in the goods listed in Annex II;

(ii) embedded emissions in the transport of the goods listed in Annex I and transportation services;

(iii) goods at risk of carbon leakage other than those listed in Annex I, and specifically organic chemicals and polymers;

(iv) other input materials (precursors) for the goods listed in Annex I;

(b) the criteria to be used to identify goods to be included in the list in Annex I to this Regulation based on the sectors at risk of carbon leakage identified pursuant to Article 10b of Directive 2003/87/EC; that assessment shall be accompanied by a timetable ending in 2030 for the

gradual inclusion of the goods within the scope of this Regulation, taking into account in particular the level of risk of their respective carbon leakage;

(c) the technical requirements for calculating embedded emissions for other goods to be included in the list in Annex I;

(d) the progress made in international discussions regarding climate action;

(e) the governance system, including the administrative costs;

(f) the impact of this Regulation on goods listed in Annex I imported from developing countries with special interest to the least developed countries as identified by the United Nations (LDCs) and on the effects of the technical assistance given;

(g) the methodology for the calculation of indirect emissions pursuant to Article 7(7) and point 4.3 of Annex IV.

3. At least one year before the end of the transitional period, the Commission shall present a report to the European Parliament and to the Council that identifies products further down the value chain of the goods listed in Annex I that it recommends to be considered for inclusion within the scope of this Regulation. To that end, the Commission shall develop, in a timely manner, a methodology that should be based on relevance in terms of cumulated greenhouse gas emissions and risk of carbon leakage.

4. The reports referred to in paragraphs 2 and 3 shall, where appropriate, be accompanied by a legislative proposal by the end of the transitional period, including a detailed impact assessment, in particular with a view to extending the scope of this Regulation on the basis of the conclusions drawn in those reports.

5. Every two years from the end of the transitional period, as part of its annual report to the European Parliament and to the Council pursuant to Article 10(5) of Directive 2003/87/EC, the Commission shall assess the effectiveness of the CBAM in addressing the carbon leakage risk of goods produced in the Union for export to third countries which do not apply the EU ETS or a similar carbon pricing mechanism. The report shall in particular assess the development of Union exports in CBAM sectors and the developments as regards trade flows and the embedded emissions of those goods on the global market. Where the report concludes that there is a risk of carbon leakage of goods produced in the Union for export to such third countries which do not apply the EU ETS or a similar carbon pricing mechanism, the Commission shall, where appropriate, present a legislative proposal to address that risk in a manner that complies with

PUBLIC

PUBLIC

World Trade Organization law and that takes into account the decarbonisation of installations in the Union.

6. The Commission shall monitor the functioning of the CBAM with a view to evaluating the impacts and possible adjustments in its application.

Before 1 January 2028, as well as every two years thereafter, the Commission shall present a report to the European Parliament and to the Council on the application of this Regulation and functioning of the CBAM. **This report may, where appropriate, be accompanied by a legislative proposal or implementing or delegated acts adopted pursuant to this Regulation.** The report shall contain at least the following:

(a) an assessment of the impact of the CBAM on:

(i) carbon leakage, including in relation to exports;

(ii) the sectors covered;

(iii) internal market, economic and territorial impact throughout the Union;

(iv) inflation and the price of commodities;

(v) the effect on industries using goods listed in Annex I;

(vi) international trade, including resource shuffling; and

(vii) LDCs;

(b) an assessment of:

(i) the governance system, including an assessment of the implementation and administration of the guarantees and ~~of~~ the authorisation of CBAM declarants by Member States;

(ii) the scope of this Regulation**, including of the possibility to extend the scope of this Regulation to additional goods at risk of carbon leakage**;

**(iia) the suitability of implementing acts and delegated acts adopted pursuant to this Regulation;**

**(iib) the suitability of the methods for setting default values and the mark-up applied to the default values;**

(iii) practices of circumvention;

(iv) the application of penalties in Member States;

(v) the application of the single mass-based threshold, including the possibility of increasing that threshold and of introducing a supplementary consignment-based threshold;

(c) results of investigations and penalties imposed;

(d) aggregated information on the emission intensity for each country of origin for the different goods listed in Annex I.

7. Where an unforeseeable, exceptional and unprovoked event has occurred that is outside the control of one or more third countries subject to the CBAM, and that event has destructive consequences on the economic and industrial infrastructure of such country or countries concerned, the Commission shall assess the situation and submit to the European Parliament and to the Council a report, accompanied, where appropriate, by a legislative proposal, to amend this Regulation by setting out the necessary provisional measures to address those exceptional circumstances.

8. From the end of the transitional period referred to in Article 32 of this Regulation, as part of the annual reporting pursuant to Article 41 of Regulation (EU) 2021/947 of the European Parliament and of the Council (*), the Commission shall evaluate and report on how the financing under that Regulation has contributed to the decarbonisation of the manufacturing industry in LDCs.

## CHAPTER IX

## COORDINATION WITH FREE ALLOCATION OF ALLOWANCES UNDER THE EU ETS

*Article 31*

***Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates***

1. The CBAM certificates to be surrendered in accordance with Article 22 of this Regulation shall be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of Directive 2003/87/EC to installations producing, within the Union, the goods listed in Annex I to this Regulation.

2. The Commission is empowered to adopt implementing acts laying down detailed rules for the calculation of the adjustment as referred to in paragraph 1 of this Article. Such detailed rules

PUBLIC

shall be elaborated by reference to the principles applied in the EU ETS for the free allocation of allowances to installations producing, within the Union, the goods listed in Annex I, taking account of the different benchmarks used in the EU ETS for free allocation with a view to combining those benchmarks into corresponding values for the goods concerned, and taking into account relevant input materials (precursors). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

CHAPTER X

**TRANSITIONAL PROVISIONS**

*Article 32*

***Scope of the transitional period***

During the transitional period from 1 October 2023 until 31 December 2025, the obligations of the importer under this Regulation shall be limited to the reporting obligations set out in Articles 33, 34 and 35 of this Regulation. Where the importer is established in a Member State and appoints an indirect customs representative in accordance with Article 18 of Regulation (EU) No 952/2013, and where the indirect customs representative so agrees, the reporting obligations shall apply to such indirect customs representative. Where the importer is not established in a Member State, the reporting obligations shall apply to the indirect customs representative.

*Article 33*

***Importation of goods***

1. The customs authorities shall inform the importer or, in the situations covered by Article 32, the indirect customs representative of the reporting obligation referred to in Article 35 no later than at the moment of the release of goods for free circulation.

2. The customs authorities shall periodically and automatically, in particular by means of the surveillance mechanism established pursuant to Article 56(5) of Regulation (EU) No 952/2013 or by electronic means of data transmission, communicate to the Commission information on imported goods, including processed products resulting from the outward processing procedure. Such information shall include the EORI number of the customs declarant and of the importer, the eight-digit CN code, the quantity, the country of origin, the date of the customs declaration and the customs procedure.

3. The Commission shall communicate the information referred to in paragraph 2 to the competent authorities of the Member States where the customs declarant and, where applicable, the importer are established.

*Article 34*

***Reporting obligation for certain customs procedures***

1. Where processed products resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013 are imported, the reporting obligation referred to in Article 35 of this Regulation shall include the information on the goods that were placed under the inward processing procedure and resulted in the imported processed products, even if the processed products are not listed in Annex I to this Regulation. This paragraph shall also apply where the processed products resulting from the inward processing procedure are returned goods as referred to in Article 205 of Regulation (EU) No 952/2013.

2. The reporting obligation referred to in Article 35 of this Regulation shall not apply to the import of:

(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;

(b) goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.

*Article 35*

***Reporting obligation***

1. Each importer or, in the situations covered by Article 32, the indirect customs representative, having imported goods during a given quarter of a calendar year shall, for that quarter, submit a report ('CBAM report') containing information on the goods imported during that quarter, to the Commission, no later than one month after the end of that quarter.

2. The CBAM report shall include the following information:

(a) the total quantity of each type of goods, expressed in megawatt-hours for electricity and in tonnes for other goods, specified for each installation producing the goods in the country of origin;

PUBLIC

(b) the actual total embedded emissions, expressed in tonnes of $CO_2e$ emissions per megawatt-hour of electricity or for other goods in tonnes of $CO_2e$ emissions per tonne of each type of goods, calculated in accordance with the method set out in Annex IV;

(c) the total indirect emissions calculated in accordance with the implementing act referred to in paragraph 7;

(d) the carbon price due in a country of origin for the embedded emissions in the imported goods, taking into account any rebate or other form of compensation available.

3. The Commission shall periodically communicate to the relevant competent authorities a list of those importers or indirect customs representatives established in the Member State, including the corresponding justifications, which it has reasons to believe have failed to comply with the obligation to submit a CBAM report in accordance with paragraph 1.

4. Where the Commission considers that a CBAM report is incomplete or incorrect, it shall communicate to the competent authority of the Member State where the importer is established or, in the situations covered by Article 32, the indirect customs representative is established, the additional information it considers necessary to complete or correct that report. Such information shall be provided for indicative purposes and without prejudice to the definitive appreciation by that competent authority. That competent authority shall initiate the correction procedure and notify the importer or, in the situations covered by Article 32, the indirect customs representative of the additional information necessary to correct that report. Where appropriate, that importer or that indirect customs representative shall submit a corrected report to the competent authority concerned and to the Commission.

5. Where the competent authority of the Member State referred to in paragraph 4 of this Article initiates a correction procedure, including in consideration of information received in accordance with paragraph 4 of this Article, and determines that the importer or, where applicable in accordance with Article 32, the indirect customs representative has not taken the necessary steps to correct the CBAM report, or where the competent authority concerned determines, including in consideration of information received in accordance with paragraph 3 of this Article, that the importer or, where applicable in accordance with Article 32, the indirect customs representative has failed to comply with the obligation to submit a CBAM report in accordance with paragraph 1 of this Article, that competent authority shall impose an effective, proportionate and dissuasive penalty on the importer or, where applicable in accordance with Article 32, the indirect customs representative. To that end, the competent authority shall notify the importer or, where applicable

PUBLIC

in accordance with Article 32, the indirect customs representative and inform the Commission, of the following:

(a) the conclusion, and reasons for that conclusion, that the importer or, where applicable in accordance with Article 32, the indirect customs representative has failed to comply with the obligation of submitting a report for a given quarter or to take the necessary steps to correct the report;

(b) the amount of the penalty imposed on the importer or, where applicable in accordance with Article 32, the indirect customs representative;

(c) the date from which the penalty is due;

(d) the action that the importer or, where applicable in accordance with Article 32, the indirect customs representative is to take to pay the penalty; and

(e) the right of the importer or, where applicable in accordance with Article 32, the indirect customs representative to appeal.

6. Where the competent authority, after receiving the information from the Commission under this Article, decides not to take any action, the competent authority shall inform the Commission accordingly.

7. The Commission is empowered to adopt implementing acts concerning:

(a) the information to be reported, the means and format for that reporting, including detailed information per country of origin and type of goods to support the totals referred to in paragraph 2, points (a), (b) and (c), and examples of any relevant rebate or other form of compensation available as referred to in paragraph 2, point (d);

(b) the indicative range of penalties to be imposed pursuant to paragraph 5 and the criteria to take into account for determining the actual amount, including the gravity and duration of the failure to report;

(c) detailed rules on the conversion of the yearly average carbon price due referred to in paragraph 2, point (d), expressed in foreign currency into euro at the yearly average exchange rate;

(d) detailed rules on the elements of the calculation methods set out in Annex IV, including determining system boundaries of production processes, emission factors, installation-

PUBLIC

specific values of actual emissions and their respective application to individual goods as well as laying down methods to ensure the reliability of data, including the level of detail; and

(e) the means and format for the reporting requirements for indirect emissions in imported goods; that format shall include the quantity of electricity used for the production of the goods listed in Annex I, as well as the country of origin, generation source and emission factors related to that electricity.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2) of this Regulation. They shall apply for goods imported during the transitional period referred to in Article 32 of this Regulation and shall build upon existing legislation for installations that fall within the scope of Directive 2003/87/EC.

CHAPTER XI

**FINAL PROVISIONS**

*Article 36*

***Entry into force***

1. This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

2. It shall apply from 1 October 2023. However:

(a) Articles 5, 10, 14, 16 and 17 shall apply from 31 December 2024;

(b) Article 2(2) and Articles ~~2a and Articles~~ 4, 6 to 9, 10a, 15, ~~and~~ 19 and, ~~Article 20(1), (3), (4) and (5), Articles~~ 21, Article 22(1), Article 22(3) and Articles 23 to 27 and 31 shall apply from 1 January 2026.

(c) Article 22(2) shall apply from 1 January 2027;

(d) Article 20(1), (3), (4) and (5) shall apply from 1 February 2027.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Strasbourg, 10 May 2023.

*For the European Parliament*

*The President*

*For the Council*

PUBLIC

R. METSOLA

*The President*

J. ROSWALL

PUBLIC

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***ANNEX I***

***List of goods and greenhouse gases***

1. For the purpose of the identification of goods, this Regulation shall apply to goods falling under the Combined Nomenclature ('CN') codes set out in the following table. The CN codes shall be those under Regulation (EEC) No 2658/87.

2. For the purposes of this Regulation, the greenhouse gases relating to goods referred to in point 1, shall be those set out in the following table for the goods concerned.

**Cement**

| CN code | Greenhouse gas |
|---|---|
| ~~2507 00 80 Other kaolinic clays except non-calcined kaolinic clays~~ ex 2507 00 80 – Other kaolinic clays except non-calcined kaolinic clays | Carbon dioxide |
| 2523 10 00 – Cement clinkers | Carbon dioxide |
| 2523 21 00 – White Portland cement, whether or not artificially coloured | Carbon dioxide |
| 2523 29 00 – Other Portland cement | Carbon dioxide |
| 2523 30 00 – Aluminous cement | Carbon dioxide |
| 2523 90 00 – Other hydraulic cements | Carbon dioxide |

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**Electricity**

| CN code | Greenhouse gas |
|---|---|
| 2716 00 00 – Electrical energy | Carbon dioxide |

**Fertilisers**

| CN code | Greenhouse gas |
|---|---|
| 2808 00 00 – Nitric acid; sulphonitric acids | Carbon dioxide and nitrous oxide |
| 2814 – Ammonia, anhydrous or in aqueous solution | Carbon dioxide |
| 2834 21 00 – Nitrates of potassium | Carbon dioxide and nitrous oxide |
| 3102 – Mineral or chemical fertilisers, nitrogenous | Carbon dioxide and nitrous oxide |
| 3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg<br>Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium | Carbon dioxide and nitrous oxide |

**Iron and steel**

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| CN code | Greenhouse gas |
|---|---|
| 72 – Iron and steel<br>Except:<br>7202 21 00, 7202 29 – Ferro-silicon<br>7202 30 00 – Ferro-silico-manganese<br>7202 50 00 – Ferro-silico-chromium<br>7202 70 00 – Ferro-molybdenum<br>7202 80 00 – Ferro-tungsten and ferro-silico-tungsten<br>7202 91 00 – Ferro-titanium and ferro-silico-titanium<br>7202 92 00 – Ferro-vanadium<br>7202 93 00 – Ferro-niobium<br>7202 99 – Other:<br>7202 99 10 – Ferro-phosphorus<br>7202 99 30 – Ferro-silico-magnesium<br>7202 99 80 – Other<br>7204 – Ferrous waste and scrap; remelting scrap ingots of iron or and steel | Carbon dioxide |
| 2601 12 00 – Agglomerated iron ores and concentrates, other than roasted iron pyrites | Carbon dioxide |
| 7301 – Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel | Carbon dioxide |

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|---|---|
| 7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails | Carbon dioxide |
| 7303 00 – Tubes, pipes and hollow profiles, of cast iron | Carbon dioxide |
| 7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel | Carbon dioxide |
| 7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel | Carbon dioxide |
| 7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel | Carbon dioxide |
| 7307 – Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel | Carbon dioxide |
| 7308 – Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock- gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel | Carbon dioxide |

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|---|---|
| 7309 00 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide |
| 7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide |
| 7311 00 – Containers for compressed or liquefied gas, of iron or steel | Carbon dioxide |
| **7312 10 – Stranded wire, ropes and cables, of iron or steel** | **Carbon dioxide** |
| **7314 39 00 – Other grill, netting and fencing, of iron or steel wire, welded at the intersection** | **Carbon dioxide** |
| 7318 – Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel | Carbon dioxide |
| **7320 20 89 – Other helical springs, of iron or steel** | **Carbon dioxide** |
| **7320 90 90 – Other springs and leaves for springs, of iron or steel** | **Carbon dioxide** |
| **7323 94 00 – Table, kitchen or other household articles, and parts thereof, of iron other than cast iron or steel, enamelled** | **Carbon dioxide** |

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| **7323 99 00 – Table, kitchen or other household articles, and parts thereof, of iron other than cast iron or steel other than stainless (excl. enamelled articles; cans, boxes and similar containers of heading 7310; waste baskets; shovels and other articles of the nature of a work implement; cutlery, spoons, ladles etc. of heading 8211 to 8215; ornamental articles; sanitary ware)** | **Carbon dioxide** |
| **7325 – Other cast articles of iron or steel** | **Carbon dioxide** |
| 7326 – Other articles of iron or steel | Carbon dioxide |

**Aluminium**

| CN code | Greenhouse gas |
|---|---|
| 7601 – Unwrought aluminium | Carbon dioxide and perfluorocarbons |
| 7603 – Aluminium powders and flakes | Carbon dioxide and perfluorocarbons |
| 7604 – Aluminium bars, rods and profiles | Carbon dioxide and perfluorocarbons |
| 7605 – Aluminium wire | Carbon dioxide and perfluorocarbons |
| 7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm | Carbon dioxide and perfluorocarbons |

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| 7607 – Aluminium foil (whether or not printed or backed with paper, paper- board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm | Carbon dioxide and perfluorocarbons |
| 7608 – Aluminium tubes and pipes | Carbon dioxide and perfluorocarbons |
| 7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves) | Carbon dioxide and perfluorocarbons |
| 7610 – Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures | Carbon dioxide and perfluorocarbons |
| 7611 00 00 – Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide and perfluorocarbons |
| CN code | Greenhouse gas |
| 7612 – Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide and perfluorocarbons |

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| 7613 00 00 – Aluminium containers for compressed or liquefied gas | Carbon dioxide and perfluorocarbons |
| 7614 – Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated | Carbon dioxide and perfluorocarbons |
| 7616 – Other articles of aluminium | Carbon dioxide and perfluorocarbons |

**Chemicals**

| CN code | Greenhouse gas |
|---|---|
| 2804 10 00 – Hydrogen | Carbon dioxide |

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## Combined metal products

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| CN code | Greenhouse gas |
|---|---|
| 7314 31 00 – Other grill, netting and fencing, of iron or steel wire, welded at the intersection, plated or coated with zinc | Carbon dioxide |
| 7314 41 00 – Grill, netting and fencing, of iron or steel wire, not welded at the intersection, plated or coated with zinc | Carbon dioxide |
| 7314 49 00 – Grill, netting and fencing, of iron or steel wire, not welded at the intersection (excl. plated or coated with zinc or coated with plastics) | Carbon dioxide |
| 7317 00 – Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading 8305) and similar articles of iron or steel, whether or not with heads of other material but excluding such articles with heads of copper | Carbon dioxide |
| ex- 7415 10 00 – Nails, tacks, drawing pins, staples and similar articles, of copper or of iron or steel with heads of copper, containing steel or aluminium | Carbon dioxide |
| ex- 8302 42 00 – Other base metal mountings, fittings and similar articles suitable for furniture, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex-8302 49 00 – Other base metal mountings, fittings and similar articles, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8309 90 90 – Other stoppers, caps and lids, (including screw caps and pouring stoppers, capsules for bottles, | Carbon dioxide and perfluorocarbons |

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| threaded bungs, bung covers, seals and other packing accessories, of base metal), containing steel or aluminium | |
| 8408 20 10 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine) for the industrial assembly of: pedestrian-controlled tractors of subheading 8701 10, motor vehicles of heading 8703, motor vehicles of heading 8704 with engines of a cylinder capacity of less than 2.500 cm³ and motor vehicles of heading 8705 | Carbon dioxide and perfluorocarbons |
| 8408 20 51 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine) for vehicles of chapter 87, of a power not exceeding 50 kW | Carbon dioxide and perfluorocarbons |
| 8408 20 55 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine) for vehicles of chapter 87, of a power exceeding 50 kW but not exceeding 100 kW | Carbon dioxide and perfluorocarbons |
| 8408 20 57 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine) for vehicles of chapter 87, of a power exceeding 100 kW but not exceeding 200 kW | Carbon dioxide and perfluorocarbons |
| 8408 20 99 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine) for vehicles of chapter 87, of a power exceeding 200 kW | Carbon dioxide and perfluorocarbons |
| 8408 90 65 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine), new, of a power exceeding 200 kW but not exceeding 300 kW | Carbon dioxide and perfluorocarbons |

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| 8408 90 67 – Compression-ignition internal combustion piston engine (diesel or semi-diesel engine), new, of a power exceeding 300 kW but not exceeding 500 kW | Carbon dioxide and perfluorocarbons |
| 8413 30 – Fuel, lubricating or cooling medium pumps for internal combustion piston engine | Carbon dioxide and perfluorocarbons |
| 8413 70 35 – Other centrifugal pumps, with a discharge outlet diameter not exceeding 15 mm | Carbon dioxide and perfluorocarbons |
| 8416 10 – Furnace burners for liquid fuel | Carbon dioxide and perfluorocarbons |
| 8416 20 – Other furnace burners, including combination burners | Carbon dioxide and perfluorocarbons |
| ex- 8416 90 00 – Parts of furnace burners, mechanical stokers, including their mechanical grates, mechanical ash dischargers and similar appliances, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8418 10 – Combined refrigerator-freezers, fitted with separate external doors or drawers, or combinations thereof | Carbon dioxide and perfluorocarbons |
| ex- 8418 99 90 – Parts of refrigerating or freezing equipment and heat pumps, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8419 89 10 – Cooling towers and similar plant for direct cooling (without a separating wall) by means of recirculated water | Carbon dioxide and perfluorocarbons |
| 8419 89 98 – Other machinery, plant and equipment | Carbon dioxide and perfluorocarbons |

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| ex- 8419 90 85 – Parts of machinery, plant or laboratory equipment, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8420 91 – Cylinders for calendering or other rolling machines (other than for metals or glass) | Carbon dioxide and perfluorocarbons |
| ex- 8421 23 00 – Oil or petrol-filters for internal combustion engines, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8424 30 – Steam or sand blasting machines and similar jet projecting machines | Carbon dioxide and perfluorocarbons |
| ex- 8424 82 10 – Agricultural or horticultural watering appliances, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8424 89 – Other mechanical appliances, whether or not hand-operated, for projecting, dispersing or spraying liquids or powders, n.e.s., containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8424 90 – Parts of mechanical appliances, fire extinguishers, spray guns and similar appliances, steam or sandblasting machines and similar jet projecting machines, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8425 31 00 – Winches and capstans powered by electric motor | Carbon dioxide and perfluorocarbons |
| 8425 39 00 – Other winches and capstans | Carbon dioxide and perfluorocarbons |
| 8425 42 00 – Other jacks and hoists, hydraulic of a kind used for raising vehicles | Carbon dioxide and perfluorocarbons |

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| 8426 19 00 – Other overhead travelling cranes, transporter cranes, gantry cranes, bridge cranes and mobile lifting frames | Carbon dioxide and perfluorocarbons |
| 8426 99 00 – Other Ships' derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane: | Carbon dioxide and perfluorocarbons |
| 8427 90 00 – Other works trucks fitted with lifting or handling equipment, not self-propelled | Carbon dioxide and perfluorocarbons |
| 8428 20 – Pneumatic elevators and conveyors | Carbon dioxide and perfluorocarbons |
| 8428 33 00 – Continuous-action elevators and conveyors for goods or materials, belt type | Carbon dioxide and perfluorocarbons |
| 8428 39 90 – Other Continuous-action elevators and conveyors for goods or materials elevators | Carbon dioxide and perfluorocarbons |
| 8428 70 00 – Industrial robots | Carbon dioxide and perfluorocarbons |
| 8428 90 – Other machinery for lifting, handling, loading or unloading not elsewhere specified | Carbon dioxide and perfluorocarbons |
| 8430 61 00 – Tamping or compacting machinery, not self-propelled | Carbon dioxide and perfluorocarbons |
| 8430 69 00 – Other machinery, not self-propelled. | Carbon dioxide and perfluorocarbons |

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| ex- 8431 10 00 – Parts of machinery of heading 8425 (pulley tackles and hoists (other than skip hoists), winches, capstans and jacks), containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8431 20 00 – Parts of machinery of heading 8427 (fork-lift trucks and other works trucks fitted with lifting or handling equipment), containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8431 31 00 – Parts of lifts, skip hoists or escalators, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8431 39 00 – Other parts of machinery of heading 8428, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 8431 49 – Other parts of machinery of heading 8426, 8429 or 8430 | Carbon dioxide and perfluorocarbons |
| 8432 80 00 – Other agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sports-ground rollers | Carbon dioxide and perfluorocarbons |
| 8432 90 00 – Parts of agricultural, horticultural or forestry machinery for soil preparation or cultivation or of lawn or sports-ground rollers | Carbon dioxide and perfluorocarbons |
| 8450 11 – Fully-automatic household or laundry-type washing machines | Carbon dioxide and perfluorocarbons |
| 8450 12 00 – Other household or laundry-type washing machines, with built-in centrifugal drier | Carbon dioxide and perfluorocarbons |
| 8450 19 00 – Other household or laundry-type washing machines, of a dry linen capacity not exceeding 10 kg | Carbon dioxide and perfluorocarbons |

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| 8451 21 00 – Drying machines, of a dry linen capacity not exceeding 10 kg | Carbon dioxide and perfluorocarbons |
| 8454 10 00 – Converters of a kind used in metallurgy or in metal foundries | Carbon dioxide and perfluorocarbons |
| 8454 20 00 – Ingot moulds and ladles, of a kind used in metallurgy or in metal foundries | Carbon dioxide and perfluorocarbons |
| 8454 30 – Casting machines of a kind used in metallurgy or in metal foundries | Carbon dioxide and perfluorocarbons |
| 8464 10 00 – Sawing machines | Carbon dioxide and perfluorocarbons |
| 8464 90 00 – Other machine tools for working stones, ceramics, concrete, asbestos cement or like mineral materials or for cold-working glass | Carbon dioxide and perfluorocarbons |
| 8474 10 00 – Sorting, screening, separating or washing machines for earth, stone, ores or other mineral substances, in solid (including powder or paste) form | Carbon dioxide and perfluorocarbons |
| 8474 20 00 – Crushing or grinding machines for earth, stone, ores or other mineral substances, in solid (including powder or paste) form | Carbon dioxide and perfluorocarbons |
| 8474 39 00 – Other mixing or kneading machines for earth, stone, ores or other mineral substances, in solid (including powder or paste) form | Carbon dioxide and perfluorocarbons |
| 8479 10 00 – Machinery for public works, building or the like | Carbon dioxide and perfluorocarbons |

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| **ex- 8480 50 00 – Moulds for glass, containing iron** | **Carbon dioxide and perfluorocarbons** |
| **8501 32 00 – DC motors, DC generators of an output exceeding 750 W but not exceeding 75 kW (other than photovoltaic generators)** | **Carbon dioxide and perfluorocarbons** |
| **8501 53 81 – AC motors, multi-phase, of an output of exceeding 75 kW but not exceeding 375 kW** | **Carbon dioxide and perfluorocarbons** |
| **8504 31 80 – Other transformers having a power handling capacity not exceeding 1 kVA** | **Carbon dioxide and perfluorocarbons** |
| **8504 33 00 – Other transformers having a power handling capacity exceeding 16 kVA but not exceeding 500 kVA** | **Carbon dioxide and perfluorocarbons** |
| **ex- 8504 50 00 – Inductors, containing steel or aluminium** | **Carbon dioxide and perfluorocarbons** |
| **8515 39 90 – Other machines and apparatus for arc welding of metals, incl. plasma arc (including plasma arc) welding of metals** | **Carbon dioxide and perfluorocarbons** |
| **ex- 8544 11 10 – Winding wire for electrical purposes, of copper, lacquered or enamelled, containing steel or aluminium** | **Carbon dioxide and perfluorocarbons** |
| **ex- 8544 11 90 – Winding wire for electrical purposes, of copper, insulated (excl. lacquered or enamelled), containing steel or aluminium** | **Carbon dioxide and perfluorocarbons** |

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| ex- 8544 19 00 – Winding wire for electrical purposes, of material other than copper, insulated, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 49 20 – Conductors, electric, for a voltage <= 80 V, insulated, not fitted with connectors, of a kind used for telecommunications, n.e.s., containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 49 91 – Electric wire and cables, for a voltage <= 1.000 V, insulated, not fitted with connectors, with individual conductor wires of a diameter > 0,51 mm, n.e.s., containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 49 93 – Conductors, electric, for a voltage <= 80 V, insulated, not fitted with connectors, n.e.s. (excl. winding wire, coaxial conductors, wiring sets for vehicles, aircraft or ships, and wire and cables with individual conductor wires of a diameter > 0,51 mm), containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 49 95 – Electric conductors for a voltage > 80 V but < 1.000 V, insulated, not fitted with connectors, n.e.s. (excl. winding wire, coaxial conductors, wiring sets for vehicles, aircraft or ships, and wire and cables with individual conductor wires of a diameter > 0,51 mm), containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 49 99 – Electric conductors for a voltage 1.000 V, insulated, not fitted with connectors, n.e.s. (excl. winding wire, coaxial conductors, wiring sets for vehicles, aircraft or ships, and wire and cables with individual conductor wires of a diameter > 0,51 mm), containing steel or aluminium | Carbon dioxide and perfluorocarbons |

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| ex- 8544 60 10 – Electric conductors for a voltage > 1.000 V, insulated, with copper conductors, n.e.s., containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 8544 60 90 – Electric conductors for a voltage > 1.000 V, insulated, not with copper conductors, n.e.s., containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex 8704 21 – Motor vehicles of a gross vehicle weight not exceeding 5 tonnes, excluding 8704 21 39 and 8704 21 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 22 – Motor vehicles of a gross vehicle weight exceeding 5 tonnes but not exceeding 20 tonnes, excluding 8704 22 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 23 10 – Motor vehicles of a gross vehicle weight exceeding 20 tonnes, excluding 8704 23 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 31– Motor vehicles, with only spark-ignition internal combustion piston engine, of a gross vehicle weight not exceeding <= 5 tonnes, excluding 8704 31 39 and 8704 31 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 32 10 – Motor vehicles, with only spark-ignition internal combustion piston engine, of a gross vehicle weight exceeding 5 tonnes, excluding 8704 32 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 41 – Motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, of a gross vehicle weight not exceeding 5 t, excluding 8704 41 39 and 8704 41 99 | Carbon dioxide and perfluorocarbons |

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| ex 8704 42 – Motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, of a gross vehicle weight exceeding 5 tonnes but not exceeding 20 tonnes, excluding 8704 42 99 | Carbon dioxide and perfluorocarbons |
| ex 8704 43 – Motor vehicles, with both compression-ignition internal combustion piston engine (diesel or semi-diesel) and electric motor as motors for propulsion, of a gross vehicle weight exceeding 20 tonnes, excluding 8704 43 99 | Carbon dioxide and perfluorocarbons |
| 8704 60 00 – Motor vehicles for the transport of goods, with only electric motor as motor for propulsion | Carbon dioxide and perfluorocarbons |
| 8704 90 00 – Other motor vehicles for the transport of goods | Carbon dioxide and perfluorocarbons |
| 8706 00 – Chassis fitted with engines, for motor vehicles of heading 8701 to 8705 | Carbon dioxide and perfluorocarbons |
| 8707 10 – Bodies for the vehicles of heading 8703 | Carbon dioxide and perfluorocarbons |
| 8708 40 – Gear boxes and parts thereof, of the motor vehicles of headings 8701 to 8705 | Carbon dioxide and perfluorocarbons |
| 8708 70 – Road wheels and parts and accessories thereof, of the motor vehicles of headings 8701 to 8705 | Carbon dioxide and perfluorocarbons |
| 8708 80 – Suspension systems and parts thereof, including. shock-absorbers, of the motor vehicles of headings 8701 to 8705 | Carbon dioxide and perfluorocarbons |

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| ex- 8708 91 – Radiators and parts thereof, for the industrial assembly of: pedestrian-controlled tractors of subheading 8701 10, vehicles of heading 8703, vehicles of heading 8704 with either a, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex 8716 80 00 – Other vehicles pushed or drawn by hand | Carbon dioxide and perfluorocarbons |
| 8716 90 90 – Other parts of trailers, semi-trailers and other vehicles | Carbon dioxide and perfluorocarbons |
| 9018 32 10 – Tubular metal needles | Carbon dioxide and perfluorocarbons |
| ex- 9018 90 75 – Apparatus for nerve stimulation, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 9018 90 84 – Other instruments and appliances , containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 9027 10 90 – Other gas or smoke analysis apparatus, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| 9401 79 00 – Seats, with metal frames | Carbon dioxide and perfluorocarbons |
| 9403 10 – Metal furniture of a kind used in offices | Carbon dioxide and perfluorocarbons |
| ex- 9403 20 – Other metal furniture, containing steel or aluminium | Carbon dioxide and perfluorocarbons |
| ex- 9406 90 90 – Prefabricated buildings, containing steel or aluminium | Carbon dioxide and perfluorocarbons |

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*ANNEX II*

**List of goods for which only direct emissions are to be taken into account, pursuant to Article 7(1)**

**Iron and steel**

| CN code | Greenhouse gas |
|---|---|
| 72 – Iron and steel<br>Except:<br>7202 2 – Ferro-silicon<br>7202 30 00 – Ferro-silico-manganese<br>7202 50 00 – Ferro-silico-chromium<br>7202 70 00 – Ferro-molybdenum<br>7202 80 00 – Ferro-tungsten and ferro-silico-tungsten<br>7202 91 00 – Ferro-titanium and ferro-silico-titanium<br>7202 92 00 – Ferro-vanadium<br>7202 93 00 – Ferro-niobium 7202 99 – Other:<br>7202 99 10 – Ferro-phosphorus<br>7202 99 30 – Ferro-silico-magnesium<br>7202 99 80 – Other<br>7204 – Ferrous waste and scrap; remelting scrap ingots and steel | Carbon dioxide |
| 7301 – Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel | Carbon dioxide |

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|---|---|
| 7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails | Carbon dioxide |
| 7303 00 – Tubes, pipes and hollow profiles, of cast iron | Carbon dioxide |
| 7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel | Carbon dioxide |
| 7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel | Carbon dioxide |
| 7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel | Carbon dioxide |
| 7307 – Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel | Carbon dioxide |
| 7308 – Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock- gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel | Carbon dioxide |
| CN code | Greenhouse gas |

| | |
|---|---|
| 7309 00 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide |
| 7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material<br>(other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide |
| 7311 00 – Containers for compressed or liquefied gas, of iron or steel | Carbon dioxide |
| 7318 – Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel | Carbon dioxide |
| 7326 – Other articles of iron or steel | Carbon dioxide |

**Aluminium**

| CN code | Greenhouse gas |
|---|---|
| 7601 – Unwrought aluminium | Carbon dioxide and perfluorocarbons |
| 7603 – Aluminium powders and flakes | Carbon dioxide and perfluorocarbons |
| 7604 – Aluminium bars, rods and profiles | Carbon dioxide and perfluorocarbons |

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|---|---|
| 7605 – Aluminium wire | Carbon dioxide and perfluorocarbons |
| 7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm | Carbon dioxide and perfluorocarbons |
| 7607 – Aluminium foil (whether or not printed or backed with paper, paper-board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm | Carbon dioxide and perfluorocarbons |
| 7608 – Aluminium tubes and pipes | Carbon dioxide and perfluorocarbons |
| 7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves) | Carbon dioxide and perfluorocarbons |
| 7610 – Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures | Carbon dioxide and perfluorocarbons |
| 7611 00 00 – Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | Carbon dioxide and perfluorocarbons |
| CN code | Greenhouse gas |
| 7612 – Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a | Carbon dioxide and perfluorocarbons |

| | |
|---|---|
| capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment | |
| 7613 00 00 – Aluminium containers for compressed or liquefied gas | Carbon dioxide and perfluorocarbons |
| 7614 – Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated | Carbon dioxide and perfluorocarbons |
| 7616 – Other articles of aluminium | Carbon dioxide and perfluorocarbons |

**Chemicals**

| CN code | Greenhouse gas |
|---|---|
| 2804 10 00 – Hydrogen | Carbon dioxide |

**Electricity**

| CN code | Greenhouse gas |
|---|---|
| 2716 00 00 – Electrical energy | Carbon dioxide |

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## *ANNEX III*

### *Third countries and territories outside the scope of this Regulation for the purpose of Article 2*

1. THIRD COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION

This Regulation shall not apply to goods originating in the following countries:

— Iceland

— Liechtenstein

— Norway

— Switzerland

This Regulation shall not apply to goods originating in the following territories:

— Büsingen

— Heligoland

— Livigno

— Ceuta

— Melilla

2. THIRD COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION WITH REGARD TO THE

IMPORTATION OF ELECTRICITY INTO THE CUSTOMS TERRITORY OF THE UNION

[Third countries or territories to be added or removed by the Commission pursuant to Article 2(11).]

*ANNEX IV*

***Methods for calculating embedded emissions for the purpose of Article 7***

1. DEFINITIONS

For the purposes of this Annex and of Annexes V and VI, the following definitions apply:

(a) 'simple goods' means goods produced in a production process requiring exclusively input materials (precursors) and fuels having zero embedded emissions;

(b) 'complex goods' means goods other than simple goods;

(c) 'specific embedded emissions' means the embedded emissions of one tonne of goods, expressed as tonnes of $CO_2e$ emissions per tonne of goods;

(d) '$CO_2$ emission factor', means the weighted average of the $CO_2$ intensity of electricity produced from fossil fuels within a geographic area; the $CO_2$ emission factor is the result of the division of the $CO_2$ emission data of the electricity sector by the gross electricity generation based on fossil fuels in the relevant geographic area; it is expressed in tonnes of $CO_2$ per megawatt-hour;

(e) 'emission factor for electricity' means the **weighted average of the CO2 intensity of the electricity produced within a geographic area**~~**default value, expressed in $CO_2e$, representing the emission intensity of electricity consumed in production of goods**~~;

(f) 'power purchase agreement' means a contract under which a person agrees to purchase electricity directly from an electricity producer **and that involves the physical delivery of electricity**;

(g) 'transmission system operator' means an operator as defined in Article 2, point (35), of Directive (EU) 2019/944 of the European Parliament and of the Council[12].

2. DETERMINATION OF ACTUAL SPECIFIC EMBEDDED EMISSIONS FOR SIMPLE GOODS

For determining the specific actual embedded emissions of simple goods produced in a given installation, direct and, where applicable, indirect emissions shall be accounted for. For that purpose, the following equation is to be applied:

[12] Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125**, ELI: http://data.europa.eu/eli/dir/2019/944/oj)**.

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$$SEE_g = \frac{AttrEm_g}{AL_g}$$

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Where:

| | |
|---|---|
| $SEE_g$ | are the specific embedded emissions of goods g, in terms of $CO_2e$ per tonne; |
| $AttrEm_g$ | are the attributed emissions of goods g, and |
| $AL_g$ | is the activity level of the goods, being the quantity of the goods produced in the reporting period in that installation. |

'Attributed emissions' mean the part of the installation's emissions during the reporting period that are caused by the production process resulting in goods g when applying the system boundaries of the production process defined by the implementing acts adopted pursuant to Article 7(7). The attributed emissions shall be calculated using the following equation:

$$AttrEm_g = DirEm + IndirEm$$

Where:

| | |
|---|---|
| DirEm | are the direct emissions, resulting from the production process, expressed in tonnes of $CO_2e$, within the system boundaries referred to in the implementing act adopted pursuant to Article 7(7), and |

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([1]) Directive (EU) 2019/944 of the European Parliament and of the Council of 5 June 2019 on common rules for the internal market for electricity and amending Directive 2012/27/EU (OJ L 158, 14.6.2019, p. 125).

| | |
|---|---|
| IndirEm | are the indirect emissions resulting from the production of electricity consumed in the production processes of goods, expressed in tonnes of $CO_2e$, within the system boundaries referred to in the implementing act adopted pursuant to Article 7(7). |

3. DETERMINATION OF ACTUAL EMBEDDED EMISSIONS FOR COMPLEX GOODS

For determining the specific actual embedded emissions of complex goods produced in a given installation, the following equation is to be applied:

$$SEE_g = \frac{AttrEm_g + EE_{InpMat}}{AL_g}$$

Where:

– $AttrEm_g$ are the attributed emissions of goods g;

– $AL_g$ is the activity level of the goods, being the quantity of goods produced in the reporting period in that installation, and

– $EE_{InpMat}$ are the embedded emissions of the input materials (precursors) consumed in the production process. Only input materials (precursors) listed in A~~NNEX~~nnex I **and Annex VIII** and originating in third countries and territories that are not exempted pursuant to Annex III, Section 1 ~~as relevant to the system boundaries of the production process as specified in the implementing act adopted pursuant to Article 7(7)~~ are to be considered. The relevant $EE_{InpMat}$ are calculated as follows:

$$EE_{InpMat} = \sum_{i=1}^{n} M_i \cdot SEE_i$$

Where:

– $M_i$ is the mass of input material (precursor) i used in the production process, and

– $SEE_i$ are the specific embedded emissions for the input material (precursor) i. For $SEE_i$ the operator of the installation shall use the value of emissions resulting from the installation where the input material (precursor) was produced, provided that that installation's data can be adequately measured.

**However, for goods listed in sections 'Iron and Steel', 'Aluminium' and 'Combined Metal Goods' of Annex I, Mi is a function of the content of CBAM goods used as input materials (precursors) in the manufacturing of the good.**

4. DETERMINATION OF DEFAULT VALUES REFERRED TO IN ARTICLE 7(2) AND (3)

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For the purpose of determining default values, only actual values shall be used for the determination of embedded emissions. In the absence of actual data, literature values may be used. ~~The Commission shall publish guidance for the approach taken to correct for waste gases or greenhouse gases used as process input, before collecting the data required to determine the relevant default values for each type of goods listed in Annex I. Default values shall be determined based on the best available data.~~ Best available data shall be based on reliable and publicly available information. Default values shall be revised periodically through the implementing acts adopted pursuant to Article 7(7) based on the most up-to-date and reliable information, including on the basis of information provided by a third country or group of third countries.

4.1. Default values referred to in Article 7(2)

~~When actual emissions cannot be adequately determined by the authorised CBAM declarant, default values shall be used.~~ ~~Those~~ Default values shall be set**, reflecting ~~at~~** the average emission intensity of each **third country ~~exporting country~~ as well as the average emission intensity of goods used as input materials (precursors), including when produced outside the third country,** and for each of the goods listed in Annex I other than electricity, increased by a proportionately designed mark-up. This mark-up shall be determined in the implementing acts adopted pursuant to Article 7(7) and shall be set at an appropriate level to ensure the environmental integrity of the CBAM, building on the most up-to-date and reliable information, including on the basis of information gathered during the transitional period. When reliable data for the **third country ~~exporting country~~** cannot be applied for a type of goods, the default values shall be based on the average emission intensity of the ~~X % worst performing EU ETS installations~~ **~~ten~~ 10 % ~~exporting~~ third** countries with the highest emission intensities for which reliable data can be applied for that type of goods. **When reliable data cannot be applied for an input material (precursor) produced outside the third country, a global average may be used to determine the average emission intensities of input materials (precursors).** ~~The value of X shall be determined in the implementing acts adopted pursuant to Article 7(7) and shall be set at an appropriate level to ensure the environmental integrity of the CBAM, building on the most up-to-date and reliable information, including on the basis of information gathered during the transitional period.~~

4.2. Default values for imported electricity referred to in Article 7(3)

Default values for imported electricity shall be determined for a third country, group of third countries or region within a third country based on either specific default values, in accordance with point 4.2.1, or, if those values are not available, on alternative default values, in accordance with point 4.2.2.

Where the electricity is produced in a third country, group of third countries or region within a third country, and transits through third countries, groups of third countries, regions within a third country or Member States with the purpose of being imported into the Union, the default values to be used are those from the third country, group of third countries or region within a third country where the electricity was produced.

4.2.1. Specific default values for a third country, group of third countries or region within a third country

Specific default values shall be set at the ~~$CO_2$ emission factor~~ emission factor for electricity in the third country, group of third countries or region within a third country, based on the best data available to the Commission.

4.2.2. Alternative default values

Where a specific default value is not available for a third country, a group of third countries, or a region within a third country, the alternative default value for electricity shall be set at the ~~$CO_2$ emission factor~~ emission factor for electricity in the Union.

Where it can be demonstrated, on the basis of reliable data, that the ~~$CO_2$ emission factor~~ emission factor for electricity in a third country, a group of third countries or a region within a third country is lower than the specific default value determined by the Commission or lower than the ~~$CO_2$ emission factor~~ emission factor for electricity in the Union, an alternative default value based on that ~~$CO_2$ emission factor~~ emission factor for electricity may be used for that third country, group of third countries or region within a third country.

4.3. Default values for embedded indirect emissions

Default values for the indirect emissions embedded in a good produced in a third country shall be determined on a default value calculated on the average, of either the emission factor of the Union electricity grid, the emission factor of the country of origin electricity grid or the $CO_2$ emission factor of price-setting sources in the country of origin, of the electricity used for the production of that good.

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Where a third country, or a group of third countries, demonstrates to the Commission, on the basis of reliable data, that the average electricity mix emission factor or $CO_2$ emission factor of price-setting sources in the third country or group of third countries is lower than the default value for indirect emissions, an alternative default value based on that **average electricity mix emission factor or on that** average $CO_2$ emission factor shall be established for this country or group of countries.

The Commission shall adopt, no later than 30 June 2025, an implementing act pursuant to Article 7(7) to further specify which of the calculation methods determined in accordance with the first subparagraph shall apply to the calculation of default values. For that purpose, the Commission shall base itself on the most up-to-date and reliable data, including on data gathered during the transitional period, as regards the quantity of electricity used for the production of the goods listed in Annex I, as well as the country of origin, generation source and emission factors related to that electricity. The specific calculation method shall be determined on the basis of the most appropriate way to achieve both of the following criteria:

— the prevention of carbon leakage;

— ensuring the environmental integrity of the CBAM.

5. CONDITIONS FOR APPLYING ACTUAL EMBEDDED EMISSIONS IN IMPORTED ELECTRICITY

An authorised CBAM declarant may apply actual embedded emissions instead of default values for the calculation referred to in Article 7(3) if the following cumulative criteria are met:

(a) the amount of electricity for which the use of actual embedded emissions is claimed is covered by a power purchase agreement between the **importer or** authorised CBAM declarant and a producer of electricity located in a third country. **Power purchase agreements involving intermediaries shall also be allowed, as long as a verifiable contractual relationship between the producer of electricity, the intermediaries, and the importer, or CBAM declarant, can be demonstrated, in relation to the electricity for which the use of actual emissions is claimed**;

~~(b) the installation producing electricity is either directly connected to the Union transmission system or it can be demonstrated that at the time of export there was no physical network congestion at any point in the network between the installation and the Union transmission system;~~

(c) the installation producing electricity does not emit more than 550 grammes of $CO_2$ of fossil fuel origin per kilowatt-hour of electricity;

(d) the amount of electricity for which the use of actual embedded emissions is claimed has been firmly nominated to the allocated interconnection capacity by all responsible transmission system operators in the country of origin, the country of destination and, if relevant, each country of transit, and the nominated capacity and the production of electricity by the installation refer to the same period of time, which shall not be longer than one hour**. This criterion shall not be fulfilled in cases where transmission capacity for the import of electricity is allocated through implicit capacity allocation**;

(e) the fulfilment of the above criteria is certified by an accredited verifier, who shall receive at least monthly interim reports demonstrating how those criteria are fulfilled.

The accumulated amount of electricity under the power purchase agreement and its corresponding actual embedded emissions shall be excluded from the calculation of the country emission factor or the $CO_2$ emission factor used for the purpose of the calculation of indirect electricity embedded emissions in goods in accordance with point 4.3, respectively.

(f) CONDITIONS TO APPLYING ACTUAL EMBEDDED EMISSIONS FOR INDIRECT EMISSIONS

An authorised CBAM declarant may apply actual embedded emissions instead of default values for the calculation referred to in Article 7(4) if it can demonstrate a direct technical link between the installation in which the imported good is produced and the electricity generation source or if the operator of that installation has concluded a power purchase agreement with a producer of electricity located in a third country for an amount of electricity that is equivalent to the amount for which the use of a specific value is claimed.

(g) ADAPTATION OF DEFAULT VALUES REFERRED TO IN ARTICLE 7(2) BASED ON REGION-SPECIFIC FEATURES

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Default values can be adapted to particular areas and regions within third countries where specific characteristics prevail in terms of objective emission factors. When data adapted to those specific local characteristics are available and more targeted default values can be determined, the latter may be used.

Where declarants for goods ~~originating~~ produced in a third country, a group of third countries or a region within a third country can demonstrate, on the basis of reliable data, that alternative region-specific adaptations of default values are lower than the default values determined by the Commission, such region-specific adaptations can be used.

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*ANNEX V*

***Bookkeeping requirements for information used for the calculation of embedded emissions for the purpose of Article 7(5)***

1. MINIMUM DATA TO BE KEPT BY AN AUTHORISED CBAM DECLARANT FOR IMPORTED GOODS:

1. Data identifying the authorised CBAM declarant:

(a) name;

(b) CBAM account number.

2. Data on imported goods:

(a) type and quantity of each type of goods;

(b) country of origin;

(c) actual emissions or default values.

2. MINIMUM DATA TO BE KEPT BY AN AUTHORISED CBAM DECLARANT FOR EMBEDDED EMISSIONS IN IMPORTED GOODS THAT ARE DETERMINED BASED ON ACTUAL EMISSIONS

For each type of imported goods where embedded emissions are determined based on actual emissions, the following additional data shall be kept:

(a) identification of the installation where the goods were produced;

(b) contact information of the operator of the installation where the goods were produced;

(c) the verification reports as set out in Annex VI; (d) the specific embedded emissions of the goods.

(e) information and the method used to calculate the embedded emissions.

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*ANNEX VI*

***Verification principles and content of verification reports for the purpose of Article 8***

1. PRINCIPLES OF VERIFICATION

The following principles shall apply:

(a) verifiers shall carry out verifications with an attitude of professional scepticism;

(b) the total embedded emissions to be declared in the CBAM declaration shall be considered as verified only if the verifier finds with reasonable assurance that the verification report is free of material misstatements and of material non-conformities regarding the calculation of embedded emissions in accordance with the rules of Annex IV;

(c) installation visits by the verifier shall be mandatory except where specific criteria for waiving the installation visit are met;

(d) for deciding whether misstatements or non-conformities are material, the verifier shall use thresholds given by the implementing acts adopted in accordance with Article 8(3).

For parameters for which no such thresholds are determined, the verifier shall use expert judgement as to whether misstatements or non-conformities, individually or when aggregated with other misstatements or non- conformities, justified by their size and nature, are to be considered material.

2. CONTENT OF A VERIFICATION REPORT

The verifier shall prepare a verification report establishing the embedded emissions of the goods and specifying all issues relevant to the work carried out and including, at least, the following information:

(a) identification of the installations where the goods were produced;

(b) contact information of the operator of the installations where the goods were produced;

(c) the applicable reporting period;

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(d) name and contact information of the verifier;

(e) accreditation number of the verifier, and name of the accreditation body;

(f) the date of the installations visits, if applicable, or the reasons for not carrying out an installation visit;

~~(g) quantities of each type of declared goods produced in the reporting period;~~

~~(h) quantification of direct emissions of the installation during the reporting period;~~

~~(i) a description on how the installation's emissions are attributed to different types of goods;~~

~~(j) quantitative information on the goods, emissions and energy flows not associated with those goods;~~

(k) in case of complex goods:

(i) quantities of each input material (precursor) used;

(ii) the specific embedded emissions associated with each of the input materials (precursors) used;

(iii) ~~if actual emissions are used:~~ the identification of the installations where the input material (precursor) has been produced and the actual emissions from the production of that material;

**(ka) material composition of each downstream good;**

(l) the verifier's statement confirming that he or she finds with reasonable assurance that the report is free of material misstatements and of material non-conformities regarding the calculation rules of Annex IV;

(m) information on material misstatements found and corrected;

(n) information of material non-conformities with calculation rules set out in Annex IV found and corrected.

ANNEX VII

Threshold referred to in Article *2a*

1. The threshold referred to in Article *2a* shall be set at 50 tonnes of net mass.

2. For the *purpose of Article 2a(3)*, the following methodology shall *apply*:

$$\bar{Q} \text{ chosen such that } \frac{\sum_{i=1}^{N} Em_i \times 1_(Q_i > \bar{Q})}{\text{Total emissions}} \geq \text{target share of emissions of 99\%}$$

Where:

- $\bar{Q}$ is the mass-threshold in tonnes allowing to capture a given target share of emissions;
- Annual emissions per importer; $i, Em_i = \sum_{j=1}^{J_i} q_{i,j} EI_j$ ;
- $q_{i,j}$ is the imported volume in tonnes by importer of the CN code *j*;
- $J_i$ is the number of CN codes imported by importer *i* among the four sectors considered (aluminium, cement, fertilisers, iron and steel);
- $EI_j$ is the emission intensity for CN code *j*[13];
- *Total emissions:* the total emissions in CO2 of the four CBAM sectors considered, that is the sum of corresponding emissions for all importers*: total emissions*= $\sum_{i=1}^{N} Em_i$ *, where N is the number of importers;*
- $Q_i$ = $Q_i = \sum_{j=1}^{J_i} q_{i,j}$ : the total volume in tonnes of CBAM goods imported by importer i;
- $1(Q_i \geq \bar{Q})$ is an indicator function equal to 1 when $Qi > \bar{Q}$ (that is, when an importer is importing volumes higher than the mass-threshold $\bar{Q}$), 0 otherwise.

To capture uncertainty over changes in trade patterns while maintaining the environmental objective of this Regulation, a margin of 0.25 percentage points is added to the above target share of emissions.

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13 The emission intensities are based on default values (without mark-up) for emissions published for the transitional period. For cement and fertiliser products, direct emissions and indirect emissions are considered; for aluminium and iron and steel products, only direct emissions are considered. For future updates of the threshold, the default values shall be set in accordance with the methods set out in Annex IV without the mark-up as referred to in Section 4.1 of Annex IV.

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The single mass-based threshold shall be rounded to the nearest ten.

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## *Annex VIII*

## List of non-CBAM goods and greenhouse gases considered as input materials (precursors)

### Iron and steel

| CN code | Greenhouse gas |
|---|---|
| ex 7204 Ferrous waste and scrap; remelting scrap ingots and steel except post-consumer scrap | Carbon dioxide |

### Aluminium

| CN code | Greenhouse gas |
|---|---|
| ex 7602 Aluminium waste and scrap except post-consumer scrap | Carbon dioxide |

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