Council of the European Union
General Secretariat

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Interinstitutional files:
2025/0039 (COD)

Brussels, 15 April 2025

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LIMITE

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Simplification
Subject:	Omnibus - CBAM simplifictaion

Delegations will find attached a presentation on the Carbon Border Adjustment Mechanism (CBAM) simplification proposal, prepared by the Commission for the meeting of the Antici Group (Simplification) of 16 April 2025.



A simpler and more effective Carbon Border Adjustment Mechanism

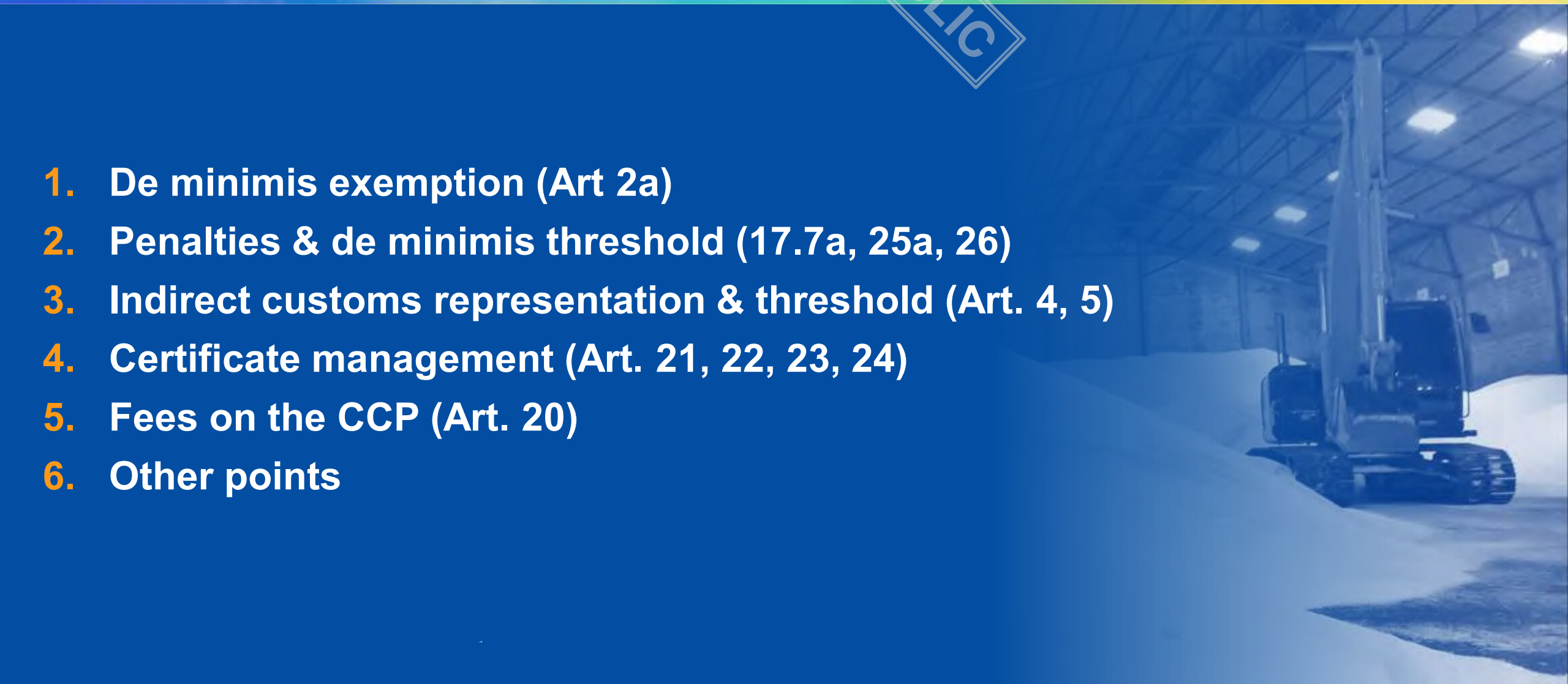
CBAM simplification proposal

April 2025

CBAM simplifications

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1. De minimis exemption (Art 2a)
2. Penalties & de minimis threshold (17.7a, 25a, 26)
3. Indirect customs representation & threshold (Art. 4, 5)
4. Certificate management (Art. 21, 22, 23, 24)
5. Fees on the CCP (Art. 20)
6. Other points



CBAM simplifications

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1. De minimis exemption (scope and update)

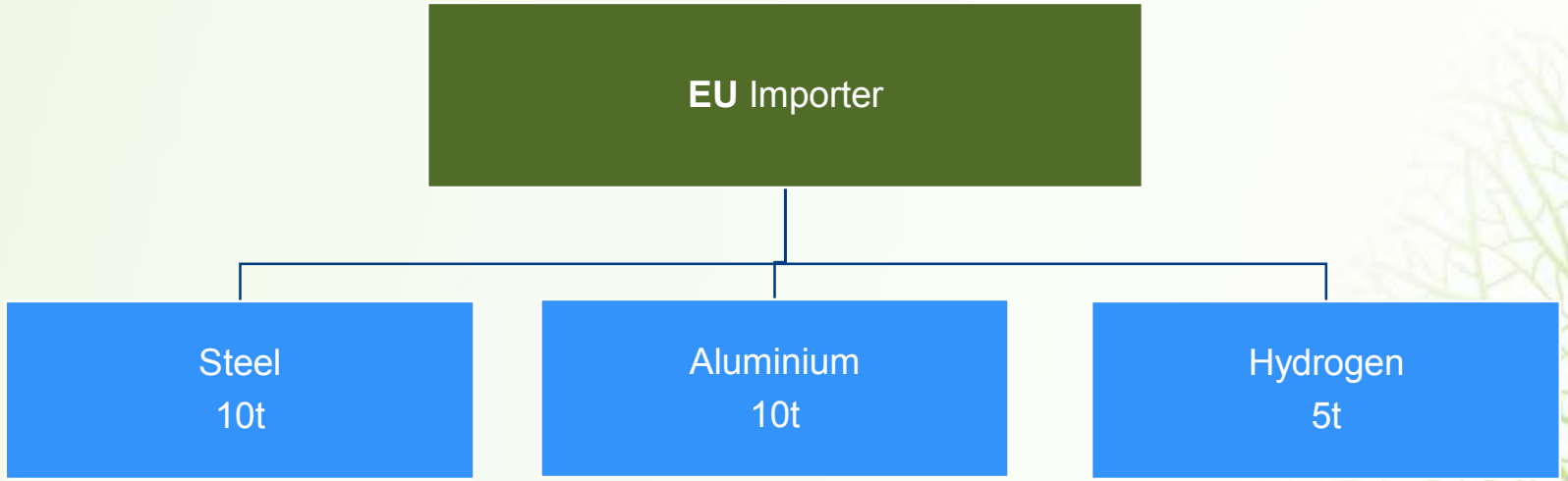


Single mass-based threshold – mixed imports

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- Recital 3a/Art 2a(4): Not possible to subsume imports of hydrogen or electricity under single mass-based threshold, e.g. due to import volumes, trade patterns, customs information and emission intensities

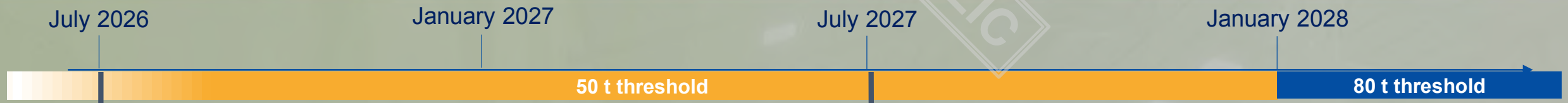
→ Every importer of these goods needs to be authorised CBAM declarant and subject to all emissions embedded in all CBAM goods imported



= CBAM obligations equivalent to emissions embedded in these for 25t

Annual assessment of the threshold - example

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Assessment by COM as per Art 2a(3) and Annex VII

Based on
- import data 07/25-06/26
- default values for emission intensities per CN code per country as published by COM

Example:
Outcome of Annex VII methodology → 60t (57t before rounding)
COM proposal: Update of threshold to 60t from next calendar year onwards
Compromise text: No change of the threshold

Assessment by COM as per Art 2a(3) and Annex VII

Based on
- import data 07/26-06/27
- default values for emission intensities per CN code per country as published by COM

Example:
Outcome of Annex VII methodology → 80t (78t before rounding)
COM proposal & Compromise text: Update of threshold to 80t from next calendar year onwards

CBAM simplifications

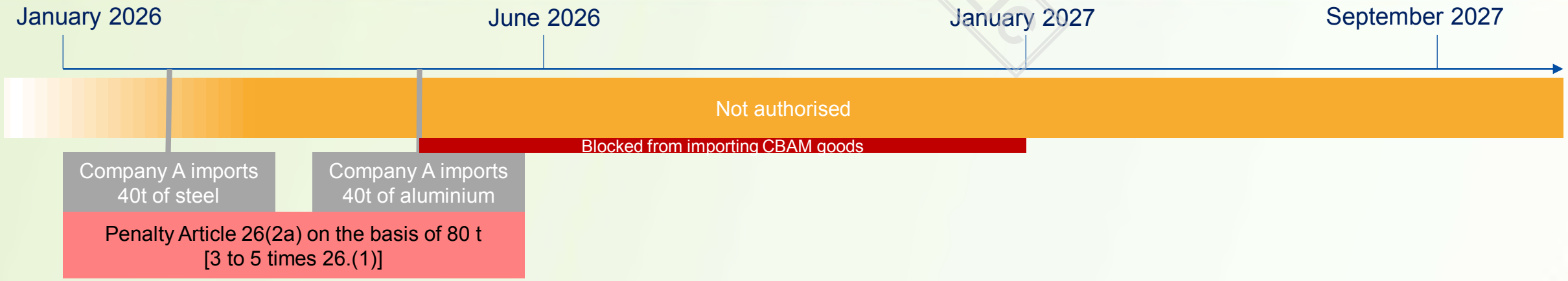
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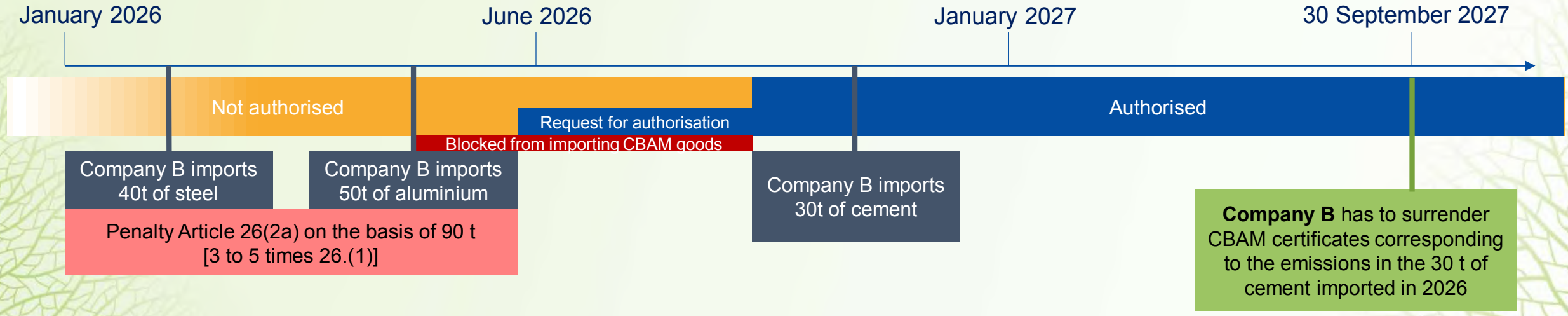
2. Penalties / de minimis threshold



Penalties / de minimis threshold [COM-proposal]

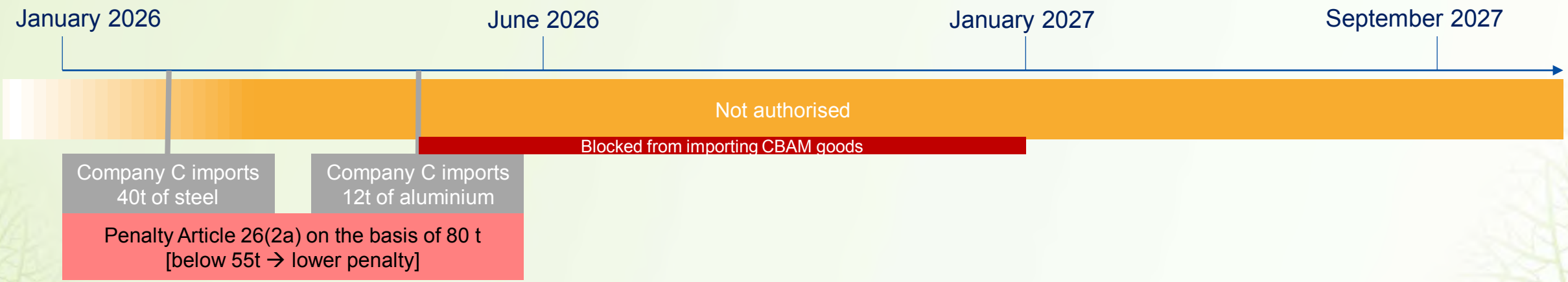
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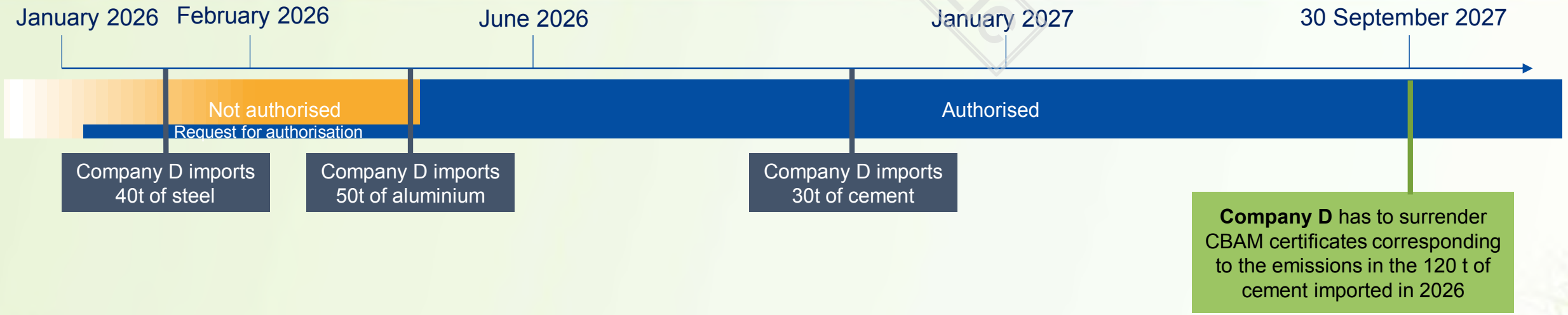
Penalties / de minimis threshold [additional flexibilities PCY text]

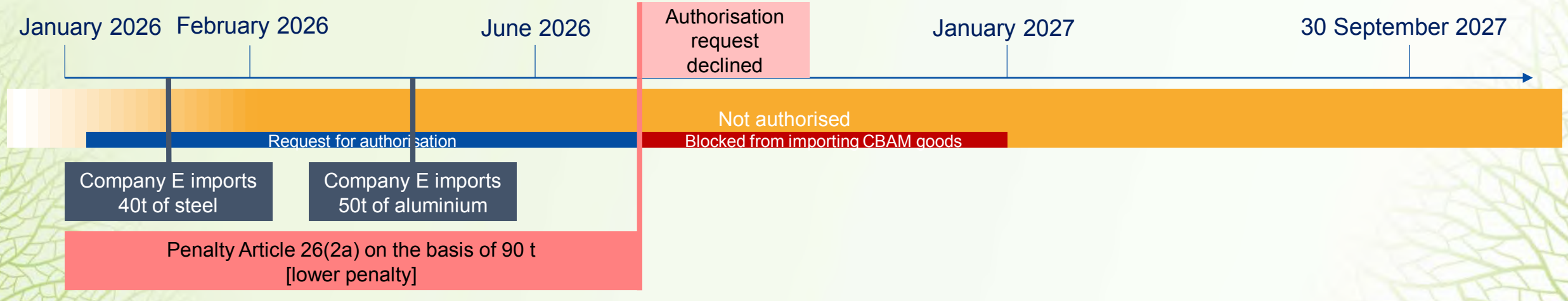
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Penalties / de minimis threshold [additional flexibilities PCY text]

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CBAM simplifications

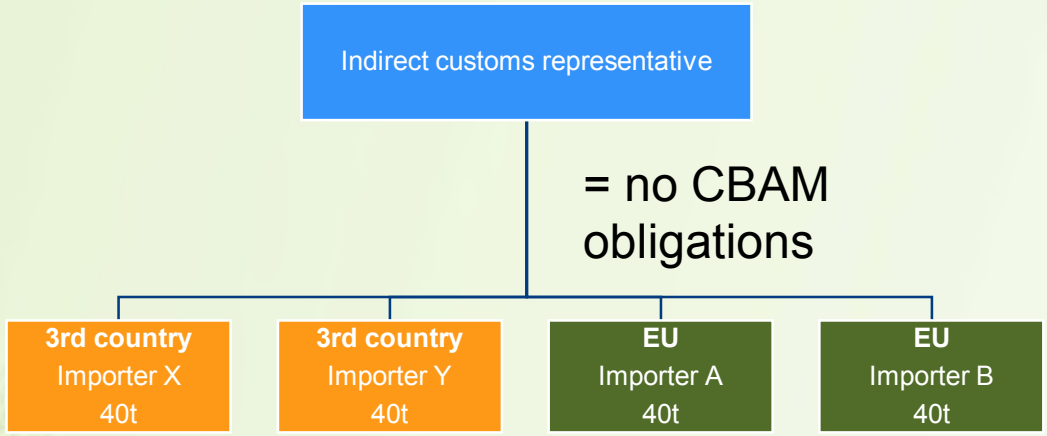
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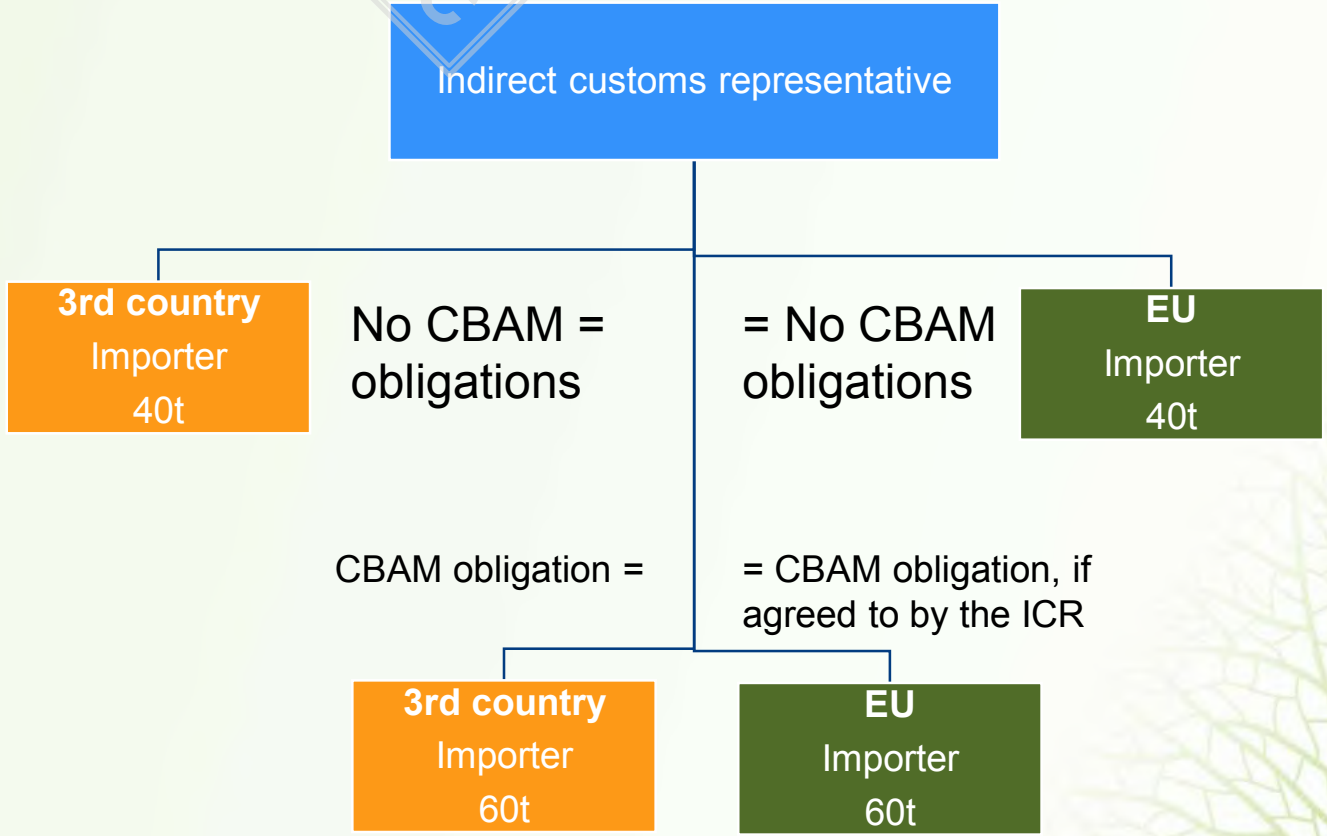


3. Indirect customs representation

Indirect customs representation – ICR perspective

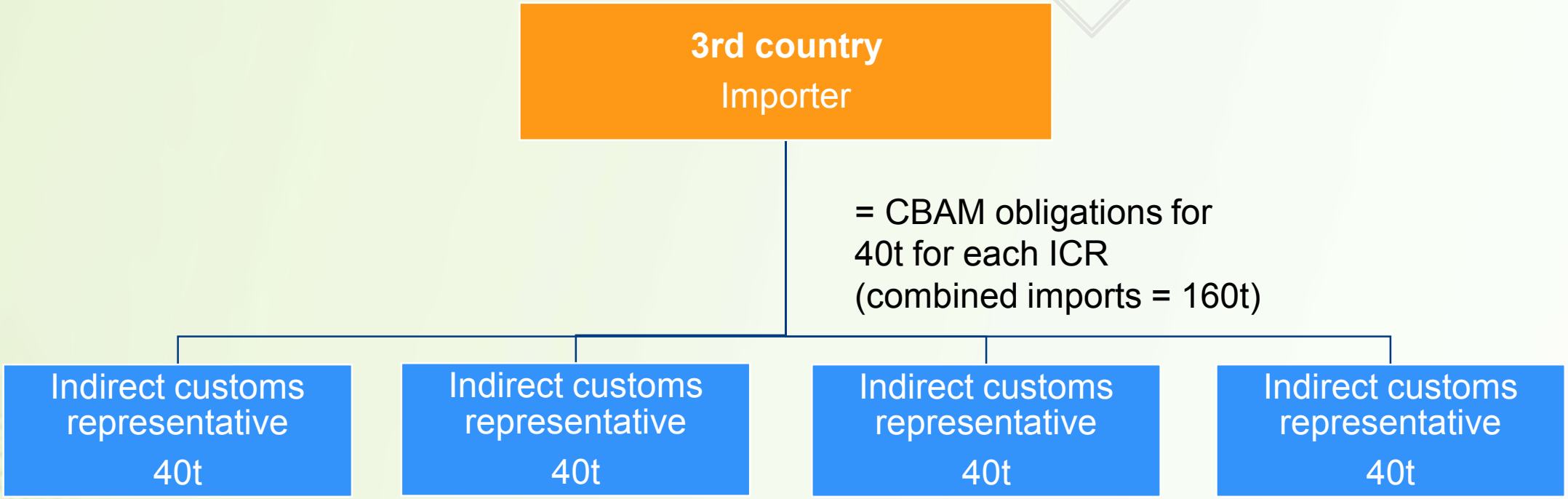
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Indirect customs representation – Importer perspective

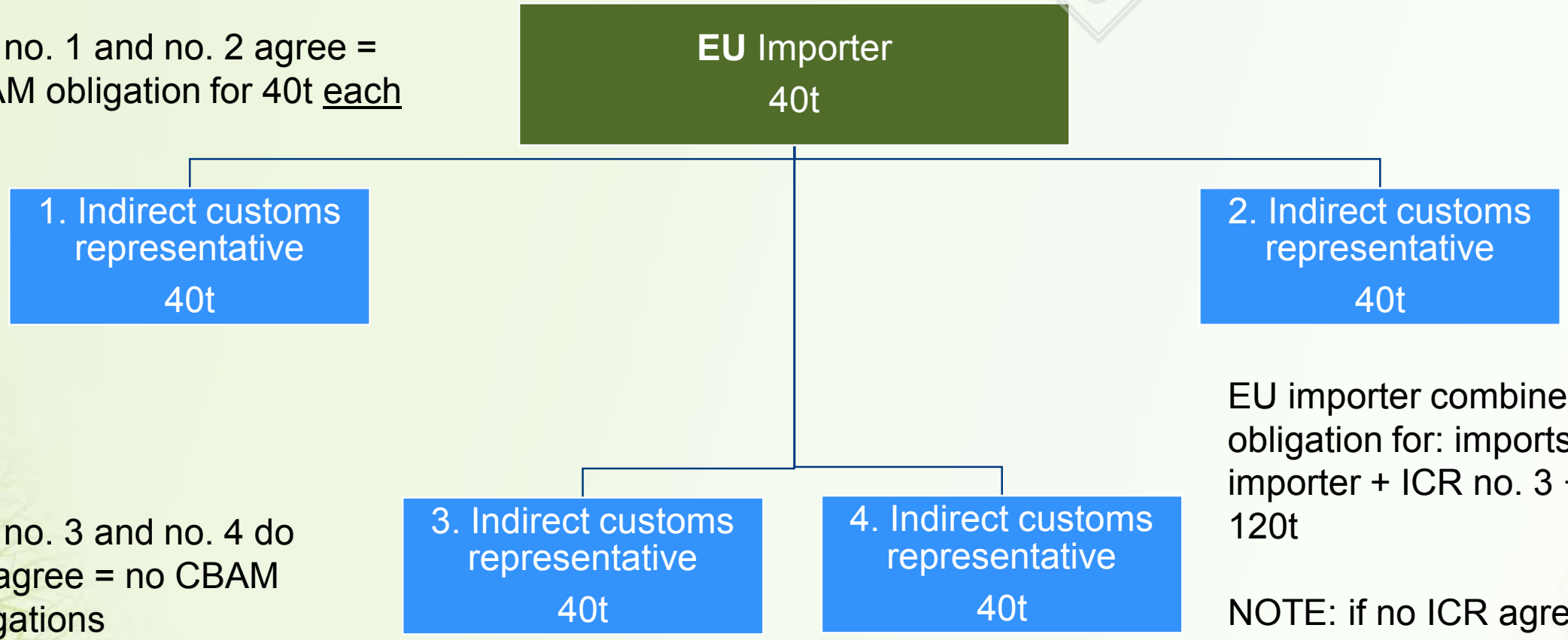
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Indirect customs representation – Importer perspective

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ICR no. 1 and no. 2 agree = CBAM obligation for 40t <u>each</u>



ICR no. 3 and no. 4 do not agree = no CBAM obligations

EU importer combined CBAM obligation for: imports by EU importer + ICR no. 3 + no. 4 = 120t

NOTE: if no ICR agree all CBAM obligations falls on the importer = 200t.

CBAM simplifications

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4. CBAM certificate management



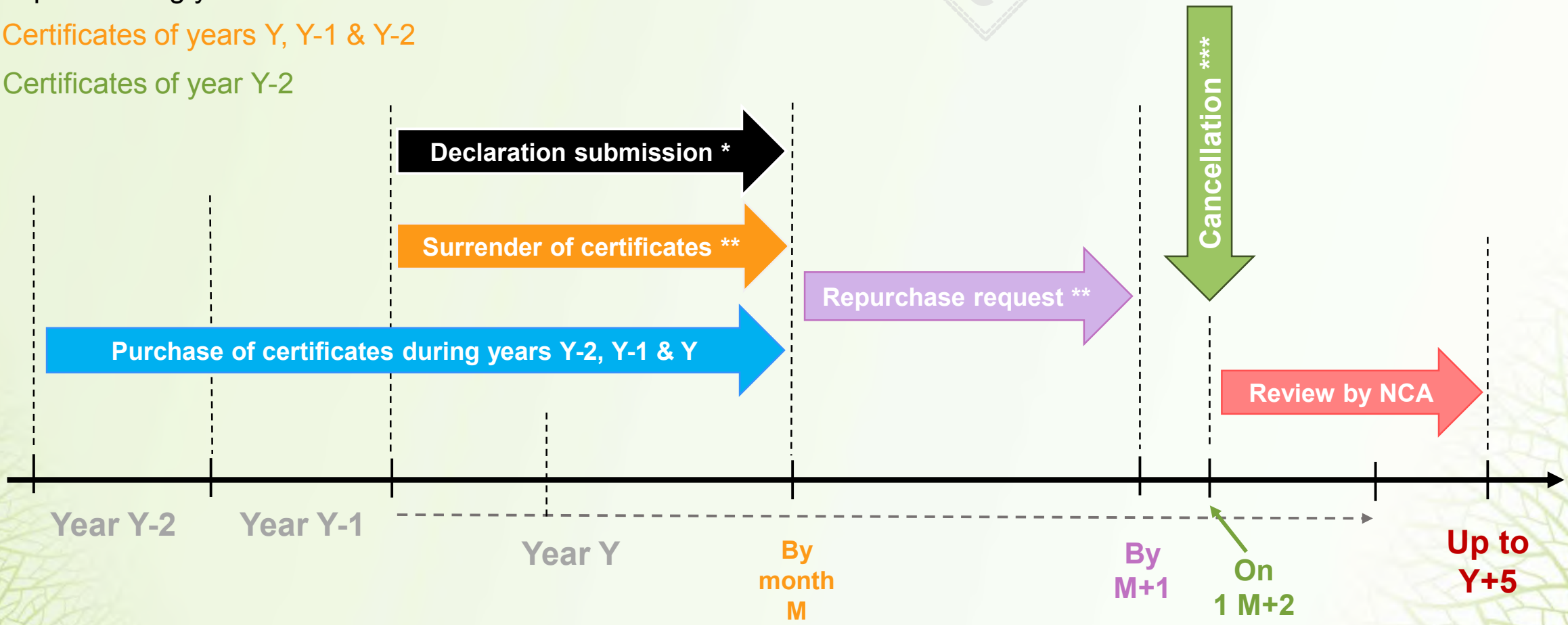
Certificate lifecycle

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* Imports during year Y-1

** Certificates of years Y, Y-1 & Y-2

*** Certificates of year Y-2

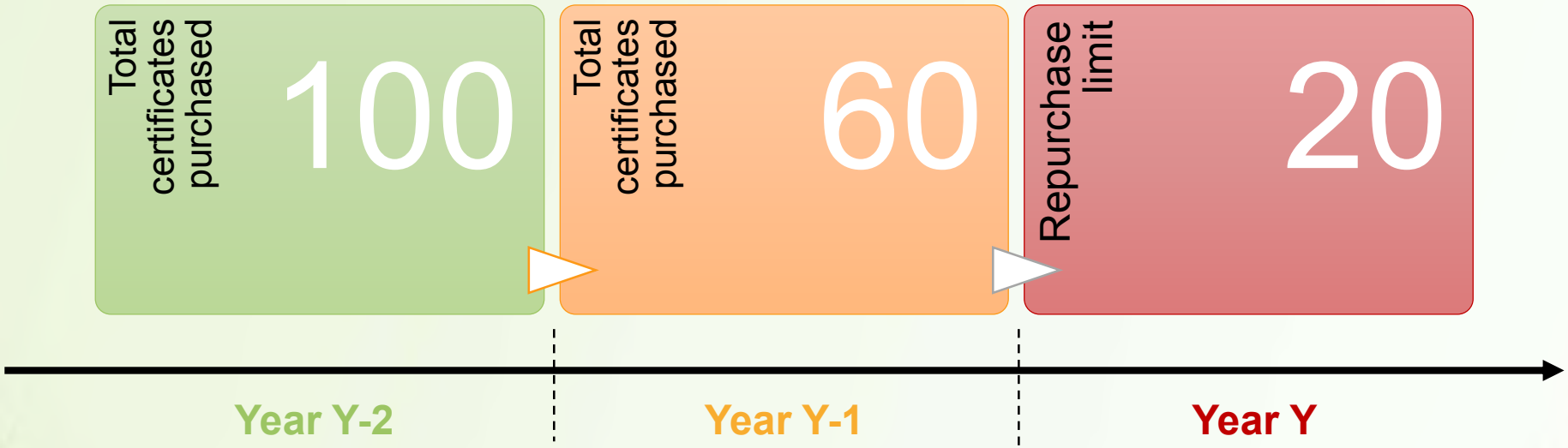


CBAM certificate repurchase limit (1/2)

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- The **current rule** sets a limit (i) based on the total number of certificates purchased (ii) relies on a comparison with the previous calendar year (iii) even if some of those were surrendered in that year and (iv) irrespective of the year of purchase of the certificates concerned by the repurchase request.

- Example:

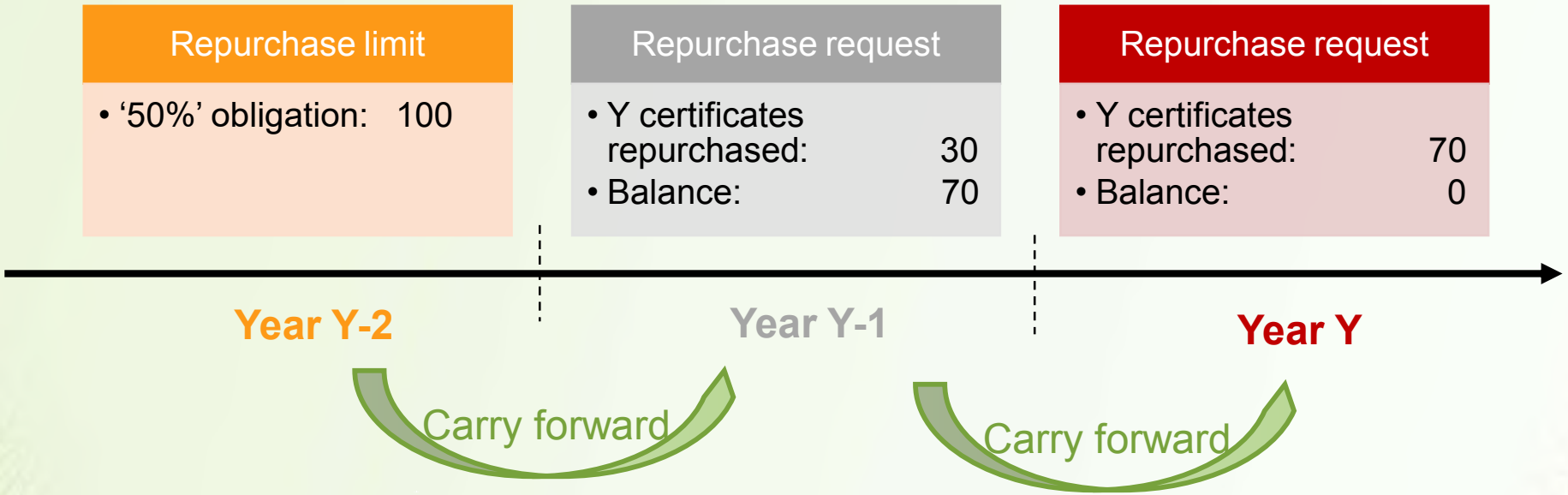


CBAM certificate repurchase limit (2/2)

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- The **new repurchase limit** (i) corresponds to the number of CBAM certificates that declarants had to purchase to meet the 50% obligation – below 'balance' (ii) applies to the CBAM certificates purchased during the same year (iii) is carried forward every year until CBAM certificates expire.

- Example:



Calculation of the new 50% rule

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- The **current 80%** obligation is calculated based on default values.
- The **new 50%** obligation is calculated based on either (i) default values minus mark-up and free allocation adjustment ('default option' below) or (ii) the number of CBAM certificates surrendered for the same goods (CN codes and country of origin) as declared in the previous year ('alternative option' below)
- Example:

Declarant	Imports in year Y	Same imports as Y-2	Choice	Calculation base
Declarant A	50t steel (CN code XXX; country Z)	Yes	Yes	Either default or alternative
	40t iron (CN code YYY; country Z)	No	No	Default only
Declarant B	20t iron (CN code YYY; country Z)	N/A ("new" importer)	No	Default only

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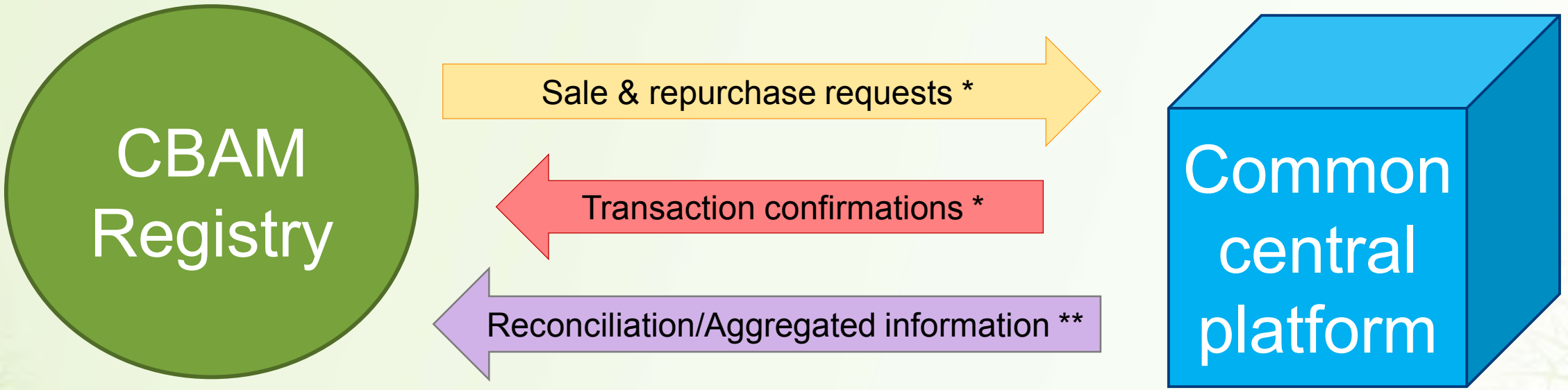
5. Fees on the common central platform



Overview on design

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* Near-immediate information exchange in a fully secured way



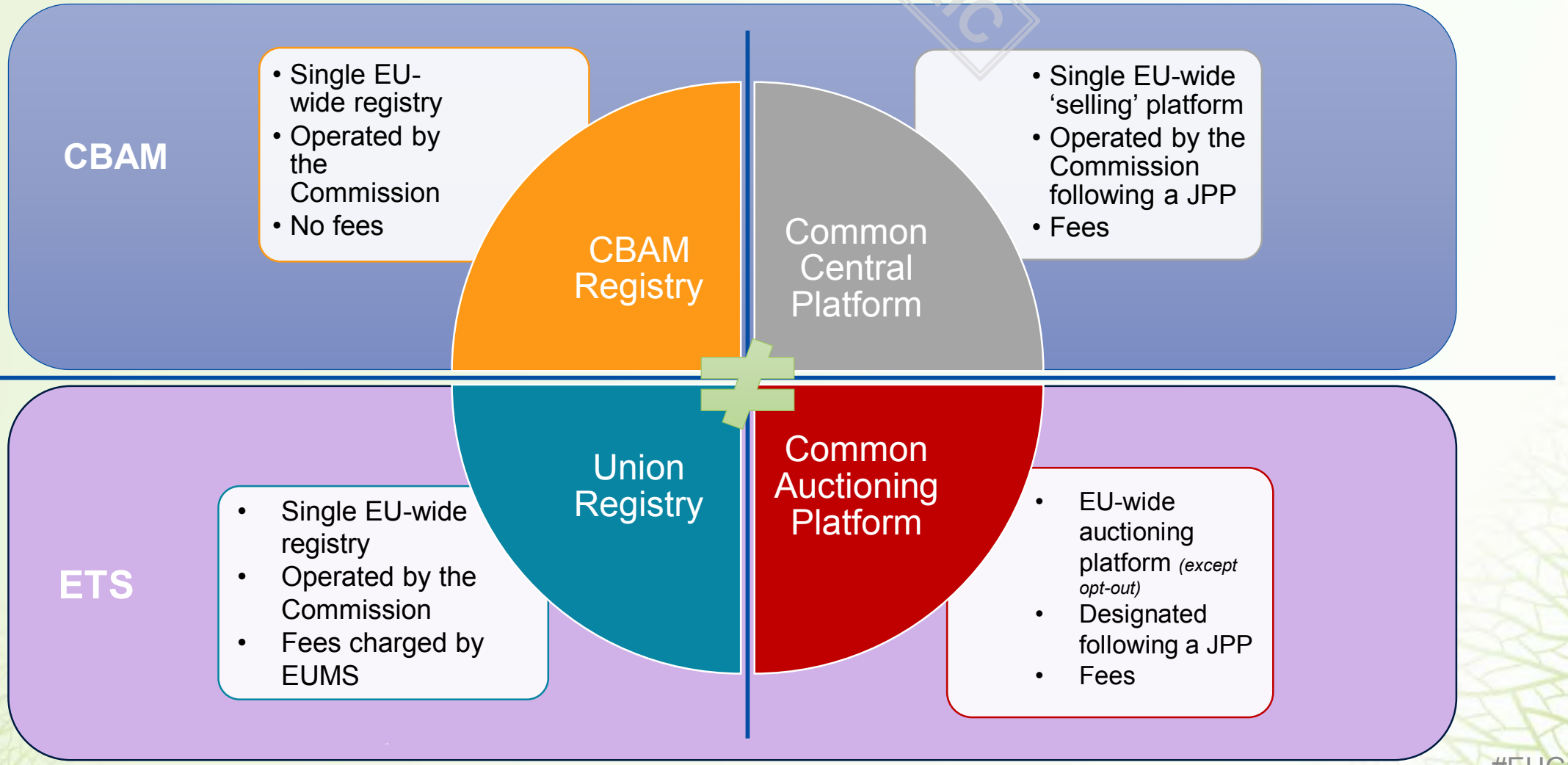
Business platform for declarations and certificates management

** Daily information exchange in a fully secured way

Payment platform for sales and repurchases of certificates

Comparison CBAM vs ETS platforms

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Financing of the CCP – Initial phase

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Tenderer

Covers costs

European Commission

Authorised CBAM declarant

Payment

Fee

+

Price of the certificate

Fee revenue

Certificate revenue



NCA

Financing of the CCP

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Authorised CBAM declarant

Payment

Fee

+

Price of the certificate

Tenderer

Covers costs

Fee revenue

Certificate revenue

European Commission



NCA

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6. Other points

