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MEETING DOCUMENT

From:	Presidency
To:	Delegations
Subject:	AHWP CBAM meeting of 5 May 2026 - Presidency steering note

Delegations will attached the Presidency steering note.

CBAM – PRESIDENCY STEERING NOTE

The purpose of this steering note is to facilitate the discussions in the meeting of the AHWP CBAM on 5 May 2026.

The main objective of this meeting is to determine the views of delegations on the second compromise text presented by Cyprus Presidency, as well as to permit a more detailed discussion on some of the issues that are set out in the Annexes of this steering note (outermost regions, fertilisers, imported electricity, [redacted]

The Presidency's objective, following the discussions in the AHWP on 5 May 2026, will be to draft its third compromise text, taking into considerations further observations by Member States, and continue discussion on the remaining open issues, as appropriate.

With a view to reaching the objective of a general approach in June, the Presidency, as usual, invites delegations to indicate the issues that would block them from accepting the overall compromise text and indicate, where possible, a compromise solution (ideally, in the form of drafting suggestions).

The discussions will be organised in the order set out in this steering note.

1. Discussion on the compromise text

Delegations will be invited to provide their comments on the first Presidency compromise text set out in doc. ST 8555/26.

2. Abusive practices

Delegations will be invited to exchange views on the provisions relating to abusive practices, based on the explanation and questions set out in the Annex to this steering note.

[redacted]

[redacted]

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Annex I

Abusive practices

In addition to the downstream extension of the CBAM scope, which should address the circumvention risk of avoiding the CBAM liability through import of minorly transformed CBAM goods, the Commission proposal also contains anti-circumvention provisions to be introduced to strengthen the effectiveness of the CBAM such as, among others, addressing the risk of abusive practices.

Abusive practices are defined, as per Cyprus Presidency compromise text, as practices pursued by an operator, importer or an authorised CBAM declarant for the purpose of gaining an undue benefit by 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.

The Commission should monitor the impact of CBAM and this would allow the Commission to identify risks of abusive practices. The information that could be used by the Commission for that purpose includes customs import declaration, CBAM declarations or any other sources of information, including from Member States.

In case of sufficient evidence pointing to a high risk of abusive practice, the Commission would be empowered to adopt delegated acts to lay 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.

In practice, if the evidence requested is not provided, this would mean that actual emission could no longer be used and only default values would be available.

The current text also establishes a timeframe within which the Commission should act following the determination of high risks of abusive practices.

[redacted]