Carbon Border Adjustment Mechanism (CBAM)

Questions and Answers

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1. GENERAL

1.1. What obligations must importers of CBAM goods comply with?

Importers must be authorised CBAM declarants to import CBAM goods into the EU's customs territory as from 1 January 2026. For this, they must contact the national competent authority of the Member State where they are established and apply for an authorisation. A list of national competent authorities is publicly available here: List of National Competent Authorities for CBAM.

However, importers importing CBAM goods other than hydrogen and electricity below the annual single-mass based threshold (50t) do not need an authorisation. Importers of hydrogen and electricity into the EU must always be authorised CBAM declarants.

Once they are granted an authorisation, authorised CBAM declarants are able to access the CBAM registry where they fulfil their CBAM obligations.

Authorised CBAM declarants importing CBAM goods above the annual threshold will have to comply with CBAM obligations:

- By 30 September of the year following the year of importation, thus for the first time by 30 September 2027 for the 2026 import-year, they must submit a CBAM declaration containing detailed information on emissions embedded in CBAM goods imported into the EU during the previous year.
- By the same date, thus for the first time by 30 September 2027 for the 2026 import year, they must surrender the number of CBAM certificates which corresponds to the embedded emissions declared in their annual CBAM declaration (step 1).

After they have submitted their declaration and surrendered the correct number of CBAM certificates (respectively, steps 1 and 2 above), authorised CBAM declarants may have some CBAM certificates remaining on their account in the CBAM registry repurchased.

As from 2027, authorised CBAM declarants, once their imported CBAM goods exceed the annual threshold, will have to buy, every calendar quarter, a certain number of CBAM certificates that corresponds to at least 50% of the emissions embedded in the CBAM goods imported into the EU since the beginning of the year.

Sales of CBAM certificates will start on 1 February 2027. As from that date, authorised CBAM declarants will be able to buy CBAM certificates corresponding to the emissions embedded in CBAM goods imported into the EU for both 2026 and 2027 onwards.

1.2. What is the current stage of implementation of CBAM?

CBAM entered its definitive phase as of 1 January 2026. It was established by Regulation (EU) 2023/956 of 10 May 2023 and started to apply in its transitional period from October 2023 to December 2025. During this transitional period, CBAM declarants were only required to report the greenhouse gas emissions embedded in CBAM goods placed on the EU market on a quarterly basis, without any financial obligations.

This transitional phase was crucial for all involved stakeholders to become acquainted with the mechanism. The insights learnt from the transitional period informed the simplification package adopted by the Commission on 26 February 2025. Regulation (EU) 2025/2083 of 8 October 2025 simplified and strengthened CBAM to have it fir for the definitive period from 1 January 2026 onwards. The transitional period was also crucial for the Commission and Member States' national authorities to prepare the launch of CBAM's full application. The Commission adopted in December 2025 a comprehensive CBAM package, which included a review report and a legislative proposal to revise CBAM.

1.3. How does the CBAM work?

The Carbon Border Adjustment Mechanism is designed to mirror and complement the EU Emissions Trading System (ETS). It puts a price on emissions embedded in a selected number of goods imported into the EU internal market at a level equivalent to what EU producers pay under the ETS.

The CBAM was designed to mirror and complement the EU ETS:

- The CBAM financial adjustment due since 1 January 2026 is calculated based on the emissions of greenhouse gas embedded in the goods imported in the EU originating from third countries or territories, determined according to a methodology that is in line with the reporting of emissions under the EU ETS for the production of the same goods in the EU.
- As from February 2027, EU importers must buy CBAM certificates corresponding to the carbon price that would have been paid, had the goods been produced under the EU's carbon pricing rules.
- The first period for which to declare embedded emissions in imported CBAM goods is 2026. The deadline to submit the annual CBAM declaration for a certain year 'n' is 30 September n + 1. These emissions will equate to a number of CBAM certificates to be surrendered, which in turn will be reduced by two elements: the free allocation adjustment (equivalent to the free allocation granted to operators under the EU ETS) and the carbon price effectively paid in a third country on the embedded emissions for the production of the imported goods.

The CBAM helps reduce the risk of carbon leakage while encouraging both, producers in non-EU countries to green their production processes as well as third countries to introduce carbon pricing measures.

The CBAM has been designed to comply with the EU's international commitments and obligations including World Trade Organisation (WTO) rules.

To provide businesses and other countries with legal certainty and stability, the CBAM is being phased in gradually and currently applies only to a selected number of goods in sectors at high risk of carbon leakage: iron/steel, cement, fertilisers, aluminium, hydrogen and electricity.

1.4. How does CBAM interact with the EU Emissions Trading System (ETS)?

The EU Emissions Trading System (ETS) is the world's first international emissions trading scheme and the EU's flagship policy to combat climate change. It sets a cap on the amount of greenhouse gas emissions that can be released from power production and large industrial installations. Allowances must be bought on the ETS trading market, though a certain number of free allowances is distributed to industry to prevent carbon leakage. In order to step up the incentive to decarbonise, the CBAM is being progressively introduced as free allowances are reduced. Under the EU ETS, the number of free allowances declines over time for all sectors. For CBAM sectors, the decline accelerates as from 2026, so that the ETS can have maximum impact in fulfilling the EU's ambitious climate goals. At the same time, the CBAM financial adjustment is phased in according to a gradual schedule in parallel with the phasing out of free allocations given to EU producers under the EU ETS.

The CBAM is based on a system of certificates corresponding to embedded emissions in CBAM products imported into the EU. The CBAM departs from the ETS in some limited areas where it was needed, as it is not a 'cap and trade' system. Nevertheless, the price of CBAM certificates will mirror the ETS allowance price.

The CBAM financial adjustment due by importers since 1 January 2026 is adjusted to reflect the revised EU ETS, in particular when it comes to the reduction of available free allowances in the sectors covered by the CBAM. This means that the CBAM financial adjustment is calculated considering the reduction of free allowances allocated under the ETS for those sectors. Put simply, until EU ETS free allowances in CBAM sectors are completely phased out in 2034, the CBAM will apply only to the proportion of emissions that does not benefit from free allowances under the EU ETS, thus ensuring that importers are treated in an even-handed way compared to EU producers.

1.5. How will the carbon price already paid in a third country will be taken into account?

The CBAM will take into account and deduct from the obligation a carbon price effectively paid in a third country. This principle set in the CBAM regulation ensures that the instrument is fair: if a carbon price was already paid on the emissions declared for CBAM, it should not be paid twice.

The deduction concerns compliance schemes, essentially carbon taxes explicitly levied on the embedded emissions and allowances under an emission trading system. The carbon price should be effectively paid, in the sense that it should not be rebated or compensated. This would for example be the case if free allowances under an ETS are granted, or there are exemptions under a carbon tax.

The European Commission will set the rules allowing this deduction in an implementing act that will be adopted in 2026. This will include the type of evidence necessary as well as how this evidence should be certified by an independent person. The rules will also clarify how the carbon price paid on a given set of emissions under a carbon pricing instrument should be attributed to the embedded emissions of the declared CBAM good.

Before its adoption, the Commission will consult all stakeholders based on the draft implementing act. This will ensure that the European Commission fully takes into account the different designs of carbon pricing rules applying in different jurisdictions and adopt rules in due time for the first CBAM declarations due by September 2027. The act will be accompanied by guidance material to best support CBAM declarants and third-county operators.

Based on a simplification introduced in the last revision of the CBAM Regulation, the Commission also plans to make available "default carbon prices" per country where carbon pricing rules apply. The default carbon prices would function similarly to default values for the calculation of embedded emissions: declarants would be given the possibility to either rely on the Commission default carbon price, or to claim the deduction of the carbon price effectively paid based on certified evidence. The Commission is currently assessing how to make these values available as soon as possible and in view of allowing their use directly in the CBAM registry for the declarations due for September 2027.

1.6. How is the CBAM ensuring that all producers are treated fairly?

The CBAM ensures that imported goods get "*no less favourable treatment*" than EU products, thanks in particular to four CBAM design features:

- the CBAM takes into consideration "*actual values*" of embedded emissions, meaning that decarbonising efforts of companies exporting to the EU will translate in a lower CBAM payment;
- the free allocation granted to EU producers will be subtracted from the CBAM financial adjustment;
- the effective carbon prices paid outside the EU will be deducted from the adjustment to avoid a double price; and
- the price of the CBAM certificates to be purchased for the importation of the CBAM goods will be the same as for EU producers under the EU Emissions Trading System (EU ETS), and published per quarter in our CBAM dedicated website.

1.7. Which sectors does the new mechanism cover and why were they chosen?

The CBAM applies to imports of goods in the following sectors:

- Cement
- Iron and Steel
- Aluminium
- Fertilisers
- Hydrogen
- Electricity

These sectors were selected following specific criteria, in particular their high risk of carbon leakage and high emission intensity which will eventually – once fully phased in – represent more than 50% of the emissions of the sectors covered by the ETS. In the future, the CBAM may be extended to other ETS sectors.

1.8. Does the CBAM apply to goods produced in EU outermost regions, such as Mayotte or La Réunion?

The CBAM Regulation applies only to CBAM goods originating in third countries and imported into the customs territory of the Union. The list of territories which comprise the EU customs territory is included in Article 4 of the Union Customs Code (Regulation (EU) No 952/2013). The EU's outermost regions including La Réunion, Mayotte, Guadeloupe and Martinique are part of the EU customs territory, and therefore the CBAM Regulation does not apply to goods produced in these territories.

Overseas countries and territories which are not part of the customs territory of the Union (e.g. New Caledonia) are considered a "third country" for the purpose of CBAM. Goods

originating from those countries and territories have third-country origin, therefore the CBAM Regulation applies.

1.9. Which third countries fall under the scope of the CBAM?

The CBAM applies to a selected number of goods whatever their country of origin.

The only exception is goods originating from third countries who participate in the EU ETS (i.e. non-EU members of the European Economic Area (EEA), Iceland, Lichtenstein and Norway) or have an emission trading system linked to the EU ETS (i.e. Switzerland).

Goods originating in those countries are excluded from the CBAM, so that a carbon price is not paid twice for the same product.

1.10. What is a national competent authority (NCA)?

Each Member State has designated a national competent authority (NCA), which carries out the functions and duties as defined in Regulation (EU) 2023/956. NCAs grant the status of 'authorised CBAM declarant'. NCAs may also review CBAM declarations. NCAs ultimately ensure compliance with CBAM rules and they may impose penalties.

The list of NCAs is published and continuously updated on the dedicated CBAM webpage of the Commission: Carbon Border Adjustment Mechanism - Taxation and Customs Union. The competent NCA is the NCA of the Member State of establishment of the authorised declarant.

1.11. Does the CBAM apply to 'second hand' goods?

The CBAM Regulation applies to all goods that are included in Annex I of the CBAM Regulation and released for free circulation in the EU single market.

1.12. Does the CBAM apply to packaging?

The CBAM obligation applies if the CN code of the packaging is given in the customs declaration and is covered by Annex I to the CBAM Regulation.

1.13. Does the CBAM apply to military goods?

As provided in Article 2(3)(c) of the CBAM Regulation, CBAM does not apply to goods to be moved or used in the context of military activities pursuant to Article 1, point (49), of the Union Customs Code Delegated Act (UCC-DA) 2015/2446.

Note, however, that Article 1(49) of the UCC-DA (2015/2446) only refers to goods moved between military forces (e.g. between NATO basis) in the context of the military activities as specified in points a) and b) of the abovementioned Article. The definition provided by Article 1 (49) of the UCC-DA, therefore, does not apply to the movement of commercial goods, e.g. goods sold by a commercial company to EU military forces. Hence, CBAM would apply to such goods when they are imported into the EU.

For the cross-border movements of military goods to be moved or used in the context of the military activities as defined in Article 1(49) of the UCC-DA, the document that can be used for customs purposes is the NATO or the EU form 302 as defined by Article 1(50) and (51) of Regulation (EU) 2015/2446 (UCC-DA). When those goods are declared by means of a Form 302, they are not subject to CBAM. If they are declared in a different way, then it is recommendable that the importer clarifies in the customs declaration that the goods are not subject to CBAM because of Article 2(3)(c) of the CBAM Regulation. Detailed information regarding the use of the NATO and EU 302 forms can be found in the TAXUD guidance document on 'customs formalities in the EU for military goods to be moved or used in the context of military activities (use of the form 302)'.

Moreover, it should be noted that if goods are imported by or on behalf of the military authorities of an EU MS, but not to be moved or used in any of the activities referred to in Article 1(49) UCC-DA, then the goods cannot benefit from the exemption from CBAM.

For completeness of information, note that according to Article 324(1)(c) and (3) UCC-IA, goods placed under inward processing for the delivery of an aircraft that are deemed to be re-exported, a repair is within the scope of this provision. In that case, CBAM would not apply.

1.14. Where can I find detailed information on how to calculate embedded emissions?

All the required information to carry out the calculation of embedded emissions and to prepare the operator's emissions report is set out in Implementing Regulation (EU) 2025/2547 setting out the methods for the calculation of emission embedded in goods in the definitive period. Commission services publish and periodically update guidance documents as well as a communication template to facilitate the reporting of emissions

You may find these documents on the CBAM webpage once they are available: Carbon Border Adjustment Mechanism.

The CBAM website also contains webinars, e-learnings, and other materials.

1.15. Is it mandatory to use the Excel file containing the emissions report template?

No, the use of the Excel file template is not compulsory but recommended.

This Excel file is a tool that allows operators to determine the embedded emissions in CBAM goods according to the methodology specified in Implementing Regulation (EU) 2025/2547. The template ensures that all relevant source streams and emission sources, electricity consumption as well as relevant precursors are taken into account for the calculation.

The Excel file contains a worksheet 'Summary_Communication' which contains all information needed by the reporting declarant. This worksheet thus facilitates communication between third-country producers and importers (or their representatives).

Pre-filled versions are available on the CBAM website to help users fill in the communication template. Additionally, a training video detailing all necessary steps is available under the following link.

1.16. Who is liable in cases where incorrect or insufficient information is submitted in a CBAM declaration?

Liability lies with the authorised declarant. This may be either the importer or the indirect customs representative. The NCA is responsible for engaging in the appropriate dialogue with the authorised declarant and may impose penalties.

1.17. Who can I contact if I have further, more specific questions?

The relevant NCA and ultimately the Commission remain at your disposal to address any doubts you may have on the CBAM implementation.

The list of NCAs is published and continuously updated on the dedicated CBAM webpage of the Commission: Carbon Border Adjustment Mechanism - Taxation and Customs Union.

1.18. Who is responsible for the CBAM declaration?

The CBAM declarant is either the importer or the indirect customs representative, depending on who includes the CBAM account number in the customs declaration.

The person responsible for the CBAM obligations can be one of the following:

1. the importer when they lodge a customs declaration for release for free circulation of goods in its own name and on its own behalf;
2. the indirect customs representative, when the customs declaration is lodged by the indirect customs representative appointed in accordance with Article 18 of Regulation (EU) No 952/2013; in cases where the importer is established outside of the Union; or when an indirect customs representative has agreed to bear with the obligations set out in Regulation (EU) 2023/956, in case where the importer is established within the EU. The appointed indirect customs representative shall be established in the EU and comply with the conditions for customs representatives determined by the concerned Member State (see Article 18 of Regulation (EU) No 952/2013).

1.19. Can an importer have several indirect customs representatives, and vice versa?

The importer is free to use different indirect customs representatives, each being accountable for the specific CBAM goods that they have introduced in their customs declaration. Each representative shows their own EORI number at the customs, which is the evidence of who is responsible to comply with the CBAM obligations. Therefore, there can be no double-counting of embedded emissions.

Indirect customs representatives can also be responsible to fulfil the CBAM obligations and act as authorised CBAM declarant for multiple importers. In such case, the indirect customs representatives must still submit one single annual CBAM declaration containing all the CBAM goods for which they have carried out the customs declaration during the relevant calendar year. An indirect customs representative cannot submit more than one annual CBAM declaration for the same year.

1.20. What is an EORI number and what is the role of EORI numbers for the CBAM obligations?

According to Article 1(18) of the Union Customs Code Delegated Act (UCC-DA) 2015/2446, 'Economic Operators Registration and Identification number' (EORI number)

means an identification number, unique in the customs territory of the EU, assigned by a customs authority to an economic operator or to another person in order to register the economic operator or another person for customs purposes. The EORI number is unique in the customs territory of the EU, because it may be used for the customs-related activities of the person concerned in any EU Member State. For example, a Dutch company with a Dutch EORI number may lodge a declaration for release for free circulation in Spain. If the Dutch company wishes to use a customs representative, that customs representative may be established in Spain, but not necessarily; in the latter case, the provisions of Article 18(3) UCC have to be respected. In any case, irrespective of the national legislations on customs representation, persons who comply with the criteria laid down in points (a) to (d) of Article 39 UCC (i.e. the criteria fulfilled by an Authorised Economic Operator for customs simplifications – AEOC) are entitled to provide such services in a Member State other than the one where they are established.

Authorised CBAM declarants must submit their annual CBAM declaration using the same EORI number, which was provided to the customs authorities when submitting the customs declaration. There can only be one EORI number per economic operator. However, the EORI number does not influence which national competent authority is responsible for CBAM obligations. Pursuant to Article 17(1) of the CBAM Regulation, it is the Member State of establishment that is responsible for granting the status of authorised CBAM declarant.

1.21. Are companies allowed to declare at centralised level if subsidiaries in the different Member States have different Economic Operators Registration and Identification (EORI) numbers?

In principle, CBAM goods are attributed to an authorised CBAM declarant through the EORI number provided to the customs authorities. This means that by default, the CBAM declarations for the different subsidiaries (with different EORI numbers) will be done separately.

However, multiple group entities of the same multinational corporation can appoint one single indirect customs representative to carry out customs obligations and the related CBAM obligations at a centralised level for all group entities.

It is also possible that one group entity acts as indirect customs representative for the CBAM goods imported by all other group entities. However, the general rule still applies: indirect customs representatives which act as authorised CBAM declarants and submit CBAM declarations must also carry out the customs obligations related to the goods covered by the CBAM declaration.

Further, it would also be possible for one group entity to submit CBAM declarations as service provider for other group entities of the same multinational corporation. This is in principle possible, but (i) the other group entities would remain authorised CBAM declarants for the goods they imported and would therefore remain legally liable for the CBAM declaration, and (ii) the group entity acting as service provider would need to submit a separate CBAM declaration for the goods imported by each group entity, including for the goods it has imported itself.

2. CBAM DECLARATIONS AND REGISTRY

2.1. How can I become an "authorised CBAM declarant"?

Any importer of CBAM goods established in the European Union, as well as indirect customs representatives acting on behalf of non-EU established importers, must obtain the status of authorised CBAM declarant in order to import CBAM goods into the Union.

Applications for the status of authorised CBAM declarant must be submitted electronically via the CBAM Registry. The application is assessed by the national competent authority of the Member State of establishment of the applicant.

The competent authority evaluates whether the applicant fulfils the conditions laid down for obtaining the status of authorised CBAM declarant, including compliance with legal requirements and the capacity to fulfil CBAM obligations. The decision granting or refusing the status of authorised CBAM declarant takes effect once it is recorded in the CBAM Registry.

Only persons holding the status of authorised CBAM declarant may import CBAM goods into the EU customs territory.

2.2. How can a CBAM declarant become 'authorised' and what is the timeline for its authorisation during the definitive period?

The NCA in the Member State in which the applicant is established shall grant the status of authorised CBAM declarant, when the applicant meets the following criteria:

- has not been involved in a serious infringement or in repeated infringements of customs legislation, taxation rules, market abuse rules or the CBAM Regulation;
- demonstrates its financial and operational capacity;
- is established in the Member State where the application has been submitted;
- has been assigned an EORI number.

A consultation procedure is required before granting the authorisation, and it should not exceed 15 working days. During the transitional period, the European Commission will adopt secondary legislation with further details on the authorisation procedure (see Article 17(10) of the CBAM Regulation).

2.3. After 2026, are you going to prohibit the import of CBAM items if the EU importers is not an authorised CBAM declarant?

Yes. Article 25 of the CBAM Regulation provides that "customs authorities shall not allow the importation of goods by any other person than an authorised CBAM declarant".

2.4. How can the CBAM declaration be submitted during the definitive period?

The annual CBAM declaration shall be submitted through the CBAM Registry by the authorised CBAM declarant.

2.5. When do I have to submit the CBAM declaration?

Authorised CBAM declarants must submit an annual CBAM declaration by 30 September following the year where the goods covered by that declaration were imported, in accordance with Article 6 of Regulation (EU) 2023/956.

2.6. How will I get access to the CBAM Registry?

Once an importer's application has been authorised by the competent authority, they are considered an authorised CBAM declarant. Each authorised CBAM declarant is assigned a CBAM account number by the Commission, which then allows access to the CBAM registry.

The access management is performed via the EU-wide UUM&DS. This means that declarants have the ability to access the CBAM Definitive system using either Option 1 (CBAM Domain) or Option 2 (Customs Domain), depending on the choice made by the national authorities.

New UUMDS profiles are required for the definitive registry. NCAs need to assign these new profiles to existing declarants to ensure their access to the definitive system.

Third-country operators are also able to access the CBAM Registry. Third-country operators use the Commission's DG DIGIT's EU-Access platform to access the CBAM

portal. The Commission validates access requests from third-country operators and grant access where appropriate. If access to the platform needs to be revoked, the Commission consults Member States.

2.7. What is the role of the European Commission?

The Commission manages the CBAM Registry, reviews CBAM declarations communicated by CBAM declarants and communicating any potential issues with NCAs, as well as monitoring the implementation of CBAM and risks of circumvention.

In addition, the Commission will manage the central platform for the selling of CBAM certificates to importers. Economic operators will purchase and may also surrender CBAM certificates they have purchased on this platform.

2.8. My understanding is that access to the CBAM Registry will be required in order to purchase certificates. Could you please confirm if this interpretation is correct?

Yes, your interpretation is correct.

The purchasing procedure will be as follows:

1. Authorised CBAM declarants will access the CBAM Registry. There, they will be able to select how many certificates they wish to purchase. The rest of the information (such as price, etc.) will be filled in automatically.
2. The next step will be the payment. When they select this option, they will be automatically redirected to the Common Central Platform (CCP), where they will need to enter their payment details.
3. Once the payment is completed, they will be redirected back to the CBAM Registry, where their certificates will be available.

Please note that only Authorised CBAM declarants will have access to the CBAM Registry and, therefore, to the CCP.

3. CBAM CERTIFICATES AND CBAM LIABILITY

3.1. When will declarants buy CBAM certificates?

Sales of CBAM certificates will start in February 2027. As from this date, authorised CBAM declarants will be able to buy CBAM certificates at any time.

However, from 2027 onwards authorised CBAM declarants will have to buy a minimum number of CBAM certificates every quarter. This minimum number corresponds to 50% of emissions in the CBAM goods imported into the EU since the start of the year. Therefore, authorised CBAM declarants will have to ensure that they have enough CBAM certificates on their CBAM account on 31 March, 30 June, 31 October and 31 December each year.

In addition, in 2027 authorised CBAM declarants will have to buy the CBAM certificates which correspond to the emissions in goods imported into the EU in 2026.

3.2. How will declarants buy CBAM certificates?

Authorised CBAM declarants will buy CBAM certificates from the Member State where they are established. All purchases will take place on the common central platform (CCP) which the Commission will establish following a joint procurement procedure between the Member States and the Commission.

The CCP will start operations on 1 February 2027.

The CCP will be accessible only by authorised CBAM declarants and only from the CBAM registry.

3.3. How will declarants buy CBAM certificates for 2026 imports?

As sales of CBAM certificates will start in February 2027, there is a specific rule to determine authorised CBAM declarants' financial adjustment for imports of CBAM goods above the annual threshold in 2026.

The number of CBAM certificates which authorised CBAM declarants will have to buy in 2027 will be calculated as the emissions (tonnes of CO2) in CBAM goods imported into the EU in each quarter in 2026. This determination will be made based on the calendar quarter of importation of the said goods.

The Commission will calculate 4 quarterly prices in 2026, one for each quarter.

Declarants will buy the number of CBAM certificates which corresponds to the emissions embedded in the CBAM goods they imported in 2026 into the EU on the CCP from February 2027 and before 30 September 2027.

3.4. Can CBAM certificates be transferred or sold to another person?

No. CBAM certificates are to be used by the purchasing authorised CBAM declarant. They cannot be transferred nor sold to another person, even if that person is an entity which belongs to same group as the entity holding the authorization.

In addition, CBAM certificates cannot be used for other purposes than complying with the CBAM obligation.

Once purchased by authorised CBAM declarants, CBAM certificates will only be either surrendered by declarants, repurchased by the Member State where the declarant is established or cancelled by the Commission.

3.5. What will be the price of CBAM certificates?

In 2026, the Commission will calculate the price of CBAM certificates on a quarterly basis, as the average of the auction clearing prices of EU ETS allowances on the auction platforms. This price will be calculated in euro and made publicly available on the following dates:

First quarter	Second quarter	Third quarter	Fourth quarter
7 April 2026	**6 July 2026**	**5 October 2026**	**4 January 2027**

As from 2027, the Commission will calculate the price of CBAM certificates on a weekly basis, as the average of the closing prices of EU ETS allowances on the auction platform. This price will be calculated in euro and made publicly available every week.

The averages will be weighted with the auction volumes to better reflect ETS prices.

3.6. How will declarants surrender CBAM certificates?

Authorised CBAM declarants will submit their annual declaration in the CBAM registry by 30 September each year and for the first time by 30 September 2027 for the year 2026. The annual declaration will indicate the number of CBAM certificates which they will have to surrender. This number of CBAM certificates to be surrendered corresponds to the amount of embedded emissions, expressed in tonnes of CO2, of the CBAM goods imported into the EU during the year covered by the annual declaration.

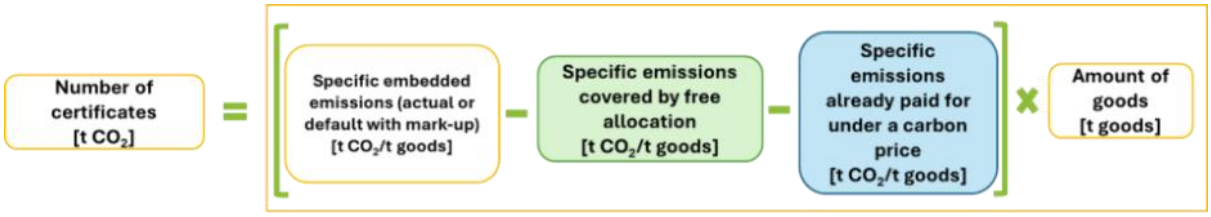
By 30 September each year and for the first time by 30 September 2027 for the year 2026, authorised CBAM declarants will surrender the number of CBAM certificates, in the CBAM registry, which they have declared in their annual declaration for the same year.

To do so, authorised CBAM declarants will select the CBAM certificates that they want to surrender among the CBAM certificates which are available in their CBAM account in the CBAM registry.

3.7. How is the number of CBAM certificates to be surrendered calculated?

For each CBAM good for a certain year, the number of CBAM certificates to be surrendered by an authorised CBAM declarant is determined by the amount of this imported CBAM good and the specific embedded emissions, reduced by the specific embedded free allocation, and, where relevant, reduced by the specific emissions already covered by a carbon price effectively paid in the country of origin.

The following graph summarises the calculation of the CBAM certificates to be surrendered (for goods other than electricity):



For a certain good, where the number of certificates is calculated to have a negative value, it is set to zero (i.e. no CBAM certificates have to be surrendered for this good).

Specific embedded emissions can be reported on the basis of either (i) actual verified emissions, or (ii) default values (see question 4.25. "*What are default values? How does this work*").

For more details on how the specific emissions covered by free allocation are determined, see Question 3.8 "*How is free allocation accounted for in the calculation of the CBAM obligation to be paid*"?

For more details on how the carbon price paid in a third country will be deducted from the CBAM, see Question 3.10 "*How will the carbon price already paid in a third country will be taken into account*?"

3.8. How is free allocation accounted for in the calculation of the CBAM obligation to be paid?

For a certain CBAM good, the CBAM obligation to be paid by importers is based on the embedded emissions of this good reduced by the corresponding free allocation that an EU producer would receive for the production of the same good. This ensures that products produced in the EU and in third countries are treated equally. The rules for calculating the adjustment for free allocation are set in Implementing Regulation (EU) 2025/2620.

This adjustment for free allocation is calculated based on CBAM benchmarks, which have been adapted from the EU ETS benchmarks. The adjustment also takes into account the quantity of imported goods, the cross-sectoral correction factor of the total amount of free allowances under the EU ETS and the relevant CBAM factor defined in the EU ETS Directive.

The CBAM factor reflects that the gradual phase-out of EU ETS free allowances in CBAM sectors from 2026 to 2034 is mirrored by a corresponding increase in the CBAM obligation. This is because the CBAM adjustment for free allocation will gradually decrease and thereby the CBAM obligation will increase.

As the CBAM Regulation allows authorised declarants to report the embedded emissions in imported CBAM goods based on either actual emissions or default values, the free allocation adjustment also reflects that principle.

If actual emissions are declared, the free allocation adjustment should equally reflect the actual production process and the composition of goods ('actual free allocation adjustment'). In such case, the calculation rules are defined in section 3 of the Annex to Implementing Regulation (EU) 2025/2620.

If default values for embedded emissions are declared, the adjustment should equally be based on default values for free allocation. In such case, the calculation rules are defined in section 4 of the Annex to Implementing Regulation (EU) 2025/2620 and are based on the CBAM benchmarks defined in Column B of this Annex. If applicable, the same production route shall be used as indicated in Annex I to Implementing Regulation (EU) 2025/2621 for the country of origin of that good or precursor.

As there is generally no free allocation for electricity generation in the EU ETS, there is no free allocation adjustment to the CBAM liability for electricity imports.

3.9. How have the CBAM benchmarks been defined?

The CBAM benchmarks have been determined based on a combination of the EU ETS benchmarks. This was needed because there are only a limited number of ETS product

benchmarks available and because these are not defined per CN codes. The principle followed to determine the CBAM benchmarks was to mirror the EU ETS free allocation rules.

The CBAM benchmarks are per CN code. In some cases, the benchmark values are the same for different CN codes, if the respective production processes are similar and the same precursors are used. On the other hand, there are also a number of CN codes having several CBAM benchmarks based on the production route, for example in the case of goods made of primary versus secondary steel.

The CBAM benchmarks are presented per CN code in the Annex of the Implementing Regulation (EU) 2025/2620. The CBAM benchmarks are presented in two columns. Column A benchmarks are the process-related CBAM benchmarks for the production process which yields the good (i.e. without accounting for the precursors). Column A benchmarks are used where embedded free allocation is determined based on actual data in accordance with the calculation rules defined in section 3 of the Annex to Implementing Regulation (EU) 2025/2620. Column B benchmarks also include the precursors and are therefore used when default values have been used to determine the embedded free allocation of the final good or the precursor. For a simple good, the benchmark value in column A equals the benchmark value in column B.

The CBAM benchmarks in Implementing Regulation (EU) 2025/2620 apply from 1 January 2026. As stipulated in Recital (10) of that regulation, these CBAM benchmarks should be reviewed shortly after the final EU ETS benchmarks for the period from 2026 to 2030 are published. The updated CBAM benchmarks based on the final ETS benchmarks for the period 2026 to 2030 should then apply to goods imported from 1 January 2027.

3.10. How will the carbon price paid in a third country be discounted from the CBAM?

An authorised CBAM declarant can claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already effectively paid in the country of origin for the declared embedded emissions of CBAM goods.

The CBAM Regulation defines a ‘carbon price’ as 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 allowance under a greenhouse gas emissions trading system (…)”.

Only the carbon price that has been “effectively paid in the country of origin” will count for a reduction of the number of CBAM certificates. Should the authorised CBAM declarant benefit from any rebate or other form of compensation, the benefit will be taken into account to establish the carbon price effectively paid. This would for example be the case if free allowances under an ETS are granted.

The Commission plans to adopt in 2026 an implementing act setting out additional details for the deduction of the carbon price effectively paid in the country of origin (see Article 9(4) of the CBAM Regulation).

This implementing act will notably define rules to ensure the recognition of the claimed deduction. This will include rules for the conversion of the carbon price effectively paid in foreign currency into a corresponding reduction of the number of CBAM certificates to be surrendered, including the conversion of the carbon price effectively paid in foreign currency into euro at the yearly average exchange rate (see summary of the calculation in question 3.7). It will also cover the type of evidence of the actual payment necessary to prove that the price was "effectively paid" and the certification by an independent person. The type of rebates and other forms of compensations that should be accounted for will also be specified.

3.11. Will CBAM generate revenues and, if so, how will they be used?

CBAM is not designed to generate budgetary revenues. Generally, the potential evolution of revenues will depend on the future level of the ETS carbon price, the embedded emissions in the imported CBAM products, and the carbon price effectively paid in third countries. Future CBAM revenues would however only represent an ancillary effect of the policy as the introduction of CBAM is expected to lead to a reduction in embedded CO2 emissions and will incentivize trading partners to consider the revenue generation dimension of domestic carbon pricing policies.

Should, however, revenues be generated particularly in the first years following the introduction, they are set to become an own resource for the EU's budget following the EU's interinstitutional agreement LI 433/28.

4. METHODOLOGY FOR CALCULATING EMBEDDED EMISSIONS IN CBAM GOODS IN THE DEFINITIVE PERIOD

4.1. What is a functional unit? Why is the functional unit of fertilisers and cement goods defined differently?

Pursuant to Article 4 of Implementing Regulation (EU) 2025/2547, the functional unit is defined by default as "the quantities of goods produced in tonnes classified under the same CN code", subject to exceptions specified in that article.

In the case of fertilisers and cement goods, the functional unit is defined in terms of the content of nitrogen and clinker, respectively. The reason is that the functional unit must be defined in terms of functionality or performance of the product, in particular if they are proportional to a specific parameter of the goods. In the case of cement, the content of clinker defines the performance of the goods, and it is correlated to the embedded emissions of the product. The same occurs with the nitrogen content in nitrogen-based fertilisers.

4.2. Can a unique functional unit be applied to all goods under the chapter 72 'Iron and Steel', as it is listed like this in Annex I to Regulation (EU) 2023/956?

The CN codes covered by the CBAM are listed in Annex I to Regulation (EU) 2023/956 (the CBAM Regulation).

Under Council Regulation (EEC) 2658/87, a 'CN code' refers to the 8-digit code number defining a CN subheading. Where Annex I to the CBAM Regulation lists the code '72', it refers to Chapter 72 'Iron and Steel' and thus encompasses all CN codes under that chapter. For further detail on the Combined Nomenclature structure, please consult here the official documentation.

Therefore, specific embedded emissions are to be computed separately for goods under different 8-digit CN codes. However, point A.4 of Annex II prescribes a mandatory grouping of CN codes under the same production process, please see question 4.4. Further recommendations on how to group CN codes will be explained in the Guidance Document on the Methodology, to be published in the upcoming months.

4.3. What is the definition of an installation? Is it determined by the legal entities on site? On the same physical site can I have multiple installations?

- 'Installation' means a stationary technical unit where a production process is carried out;
- 'Production process' means the chemical and physical processes carried out to produce goods in an installation;
- 'Goods' means goods listed in Annex I to the CBAM Regulation.

Therefore, an installation must be understood as a site or a place where the production process of goods in Annex I is occurring. The production process is defined by the CN code of the goods it produces, so the installation is the site which encompasses all the

chemical and physical processes that lead to the production of goods under the same CN code.

4.4. For products under the categories: crude steel, iron and steel products, unwrought aluminium and aluminium products, when is it mandatory to group them in a unique multifunctional production process?

Goods under CN codes belonging to the aggregated goods categories crude steel, iron and steel products, unwrought aluminium and aluminium products (see Annex I to Implementing Regulation for the lists of aggregated goods categories) have to be grouped under a single multifunctional process, if the conditions set out in point A.4 of Annex II to the same Regulation are met.

For each of the above-mentioned aggregated goods categories, the aggregation of CN codes is mandatory if the two following conditions are met:

- The different functional units (i.e. CN codes) differ only in size or shape – this implies that CN codes referring to different widths or thicknesses of cast, extruded, rolled or forged products etc. must be considered in a single production process.
- The different functional units are produced with the same precursors in types, quantities and proportions.

Further recommendations on how to group CN codes will be explained in the Guidance Document on the Methodology, to be published in the upcoming months.

4.5. For products under the fertilisers categories, when is it mandatory to group them in a unique multifunctional production process?

Goods under CN codes belonging to the fertilisers aggregated goods categories (see Annex I to Implementing Regulation for the lists of aggregated goods categories) have to be grouped under a single multifunctional process, if the conditions set out in point A.4 of Annex II to the same Regulation are met.

For different functional units belonging to the fertilisers, the aggregation of CN codes is mandatory if the two following conditions are met:

- They are produced with the same precursors in types, quantities and proportions OR are composed by the same substance

- They only differ in concentrations.

This implies that the following aggregations are possible:

- Ammonia (CN 28141000 and 28142000) builds one production process;
- Nitric acid (CN 28080000) builds one production process;
- Urea (CN 31021012, 31021015, 31021019, 31021090) builds one production process;
- Ammonium nitrate and its mixtures (CN 31023010, 31023090, 31024010, 31024090) build one production process;
- Ammonia salts (CN 31022100, 31053000, 31054000) build one production process;
- Nitrates (CN 28342100, 31025000) build one production process;
- Other CN codes of the aggregated goods category “mixed fertilisers” can be considered a joint production process.

4.6. How should embedded emissions be calculated when a CBAM good is being produced in an installation through multiple production routes?

When multiple production routes are applied in production of a functional unit of product, a single production process shall be used encompassing all production routes (see Article 4 of Implementing Regulation (EU) 2025/2547).

4.7. Can two separate production processes be created for goods under the same CN code?

No, there cannot be more than one production process per CN code. This is because Article 4 of Implementing Regulation (EU) 2025/2547 states that within one installation a production process has to be identified for all goods under the same functional unit (e.g. under the same CN code).

4.8. Within an installation and for a same CBAM good, can embedded emissions be calculated separately for EU-bound production lots and non-EU bound production lots?

No, you cannot artificially split production processes based on their destination. A ‘production process’ is defined for all goods produced under the same functional unit (e.g. under the same CN code), see question 4.7.

4.9. When producing a complex good listed in Annex II using a precursor not listed in Annex II, should indirect emissions of the precursor be included in embedded emissions of the complex good?

When the production process of complex goods listed in Annex II to Regulation (EU) 2023/956 includes one or more precursors not listed in that Annex, then the indirect emissions of those precursors must be included in the calculation of the embedded emissions of the complex goods (see the cross-sectoral rules set out in point 3 of Annex I to Implementing Regulation (EU) 2025/2547).

4.10. When producing a complex good by using the same precursor coming from different installations, how should embedded emissions of the precursors be calculated? When can article 14(3) of Implementing Regulation (EU) 2025/2547 be applied?

As laid down in Article 14(2) of Implementing Regulation (EU) 2025/2547 where an installation producing complex goods receives precursors under a given CN code from multiple installations, emissions embedded in the precursors under that CN code, must be determined by default as the weighted average of emissions embedded in the precursors under that CN code received from the different installations.

Article 14(3) can be applied when an operator can provide sufficient evidence to the verifier that only precursors from a single installation, or from a subset of installations, are used in a specific production process (i.e. for the production of specific CN codes). Then the embedded emissions of those precursors used shall be determined based on the embedded emissions of the precursors obtained from that single installation, or as the weighted average of emissions embedded in the precursors received from that subset of installations.

4.11. For producers of steel products using precursors, can the mass of the precursor remaining after cutting be used instead of the mass of the precursor entering the cutting process in order to compute embedded emissions of the final steel product?

Cutting activities are excluded from the system boundaries for goods under the aggregated goods category iron and steel (see point 3.16 of Annex II to Implementing Regulation (EU) 2025/2547).

Pursuant to point B of Annex III to the same Regulation, to compute embedded emissions of precursors, operators shall use the mass of precursors as entering the production process (before cutting), even if emissions from cutting activities will not be accounted for in embedded emissions of the complex good.

4.12. For hydrogen being produced through partial oxidation or autothermal reforming, are emissions from oxygen production included in the embedded emissions of hydrogen?

Oxygen is an input material to hydrogen production if it is produced through partial oxidation or autothermal reforming. However, as oxygen is not listed in Annex I to the CBAM Regulation, it is not considered as a precursor to hydrogen. Its embedded emissions are not to be considered, pursuant to point 3 of Annex IV to the Implementing Regulation. Therefore, fuel combustion and electricity emissions from the air separation unit should be excluded from embedded emissions of hydrogen.

4.13. If two or more production batches of liquid fertilisers from different installations are blended and stored in the same tank, how should embedded emissions be computed? Can the mass balance chain of custody model be used in calculations?

To solve this, one should keep in mind that embedded emissions are to be reported per functional unit. According to Article 4 of Implementing Regulation (EU) 2025/2547, the functional unit is defined by default as “the quantities of goods produced in tonnes classified under the same CN code”. In the specific case of fertilisers, the functional unit is defined in Article 4 as the kilograms of nitrogen contained in the goods produced under a CN code.

In this case, a functional unit consists of two different batches of the same CN code product. Thus, emissions are to be reported as a weighted average of emissions of a functional unit.

The mass balance chain of custody model cannot be used as proof of traceability in the CBAM.

4.14. What is the relevant time period for calculating embedded emissions? Can data from previous years be used?

The default reference period for determining embedded emissions is a full calendar year. This reference period is used for the calculation of embedded emissions reported in the annual CBAM declaration.

By default, the goods shall be presumed to have been produced during the calendar year of importation. This presumption may be rebutted where information demonstrating a different production period is available.

The reporting period cannot be any period before 2026.

A different reference period, such as a financial year, may be used provided that it covers at least three consecutive months, is representative of the production process, and is applied consistently for the determination of embedded emissions.

Embedded emissions shall be determined using data corresponding to the reference period used for the production of the goods. The use of data from previous years is permitted only where data for the relevant reference period are not available and where the data used remain representative of the production conditions.

For goods produced in earlier periods and imported at a later date, including stock items, embedded emissions shall be determined in accordance with the applicable rules on the allocation and averaging of emissions across production periods.

4.15. What are simple and complex goods?

There are two types of CBAM goods, simple and complex ones. “Simple goods” are produced from input materials that are considered to have zero embedded emissions under the CBAM reporting methodology. Therefore, the embedded emissions of simple CBAM goods are based entirely on the emissions occurring during their production.

For “complex goods”, it is necessary to include the embedded emissions of relevant precursors, themselves in the scope of CBAM, if used in the production process. Relevant precursor materials refer to those raw materials used in the production of complex CBAM

goods that are CBAM goods themselves. In the cement sector, a typical example for a precursor is cement clinker, which is the main constituent of Portland cement.

4.16. What are direct and indirect emissions?

Direct emissions cover the emissions generated during the production processes of CBAM goods, including from the production of heating and cooling, irrespective of the location of the production of the heating and cooling. This means that when the production of heating and cooling takes place outside the installations, the resulting emissions are counted as direct emissions.

Indirect emissions cover the production of electricity that is consumed during the production of CBAM goods.

The embedded direct and indirect emissions of relevant precursors are also taken into account when determining the specific embedded direct and indirect emissions of CBAM goods.

The CBAM scope is limited to direct emissions for iron/steel, aluminium and hydrogen, while importers of cement and fertilisers (and of agglomerated iron ore) have to declare both direct and indirect emissions.

4.17. What is the “bubble approach” and how does it work?

If an installation produces a complex good and its precursor and where this precursor is wholly used to produce the complex good, a joint (single) production process may be defined within the installation.

4.18. If an imported CBAM good was produced using precursors from the EU (e.g. pig iron) – would this have to be considered in the calculation?

For the production of complex goods using precursors produced in the EU, specific direct or indirect embedded emissions of that precursor shall be counted as zero (Point B, Annex III to Implementing Regulation (EU) 2025/2547).

Even though EU precursors do not have to be included in the calculation of embedded emissions, the quantity of precursors used on the production of complex CBAM goods must be reported (Point E, Annex II to the same Regulation).

The specific embedded free allocation of precursors produced in the EU shall be equally counted as zero.

4.19. Can the absorption rule be applied for the calculation of embedded emissions of composite goods?

No. The absorption rule is a concept used in the determination of the origin of a good. The absorption rule allows keeping the originating status of intermediate products, which are used for subsequent manufacturing operations of originating goods, and to disregard the part of all former non-originating inputs contained in intermediate products, provided that certain conditions are fulfilled. The calculation of embedded emissions in CBAM goods follows completely different rules.

4.20. How are indirect emissions for the production of CBAM goods determined?

Indirect emissions are determined by multiplying the amount of electricity consumed during the production of a CBAM good by the applicable electricity emission factor.

The electricity emission factor may reflect either:

- The emission factor of the electricity grid supplying the electricity consumed, or
- An actual electricity emission factor, where such a factor is used in accordance with the applicable CBAM rules.

The electricity emission factors to be used for the calculation of indirect emissions are those applicable to the country or region of electricity generation, as determined under the CBAM methodology.

Indirect emissions are taken into account only for CBAM goods for which indirect emissions fall within the scope of the CBAM, namely cement and fertilisers (and agglomerated iron ore).

4.21. Should emissions from on-site transportation be included in the calculation?

Emissions resulting from transport on conveyor belts, in pipelines and using other stationary equipment are included. Emissions resulting from the use of mobile machinery (trucks, forklifts etc.) are excluded. These are the same rules as in the EU ETS.

4.22. Can carbon capture and use (CCU) / carbon capture and storage (CCS) be used to reduce emissions for the purpose of determining embedded emissions?

Carbon capture and use/storage (CCUS) are techniques that become increasingly available on the markets to reduce carbon dioxide emissions. Such emission reductions can be taken into account when determining embedded emissions in CBAM goods, provided that certain criteria are met. These conditions are spelled out in Annex II, Section B.8.2 to Implementing Regulation (EU) 2025/2547. The conditions are essentially that the captured carbon dioxide is used to produce products in which it is permanently chemically bound or that the captured carbon dioxide is transferred to a long-term geological storage site. Commission Delegated Regulation (EU) 2024/2620 defines requirements for considering that greenhouse gases have become permanently chemically bound in a product.

4.23. Is enhanced oil recovery (EOR) eligible for deduction in the calculation of embedded emissions?

Enhanced oil recovery (EOR) is primarily a technology utilized to increase the extraction of oil. The CO2 injected in the process could theoretically be considered for deduction in the calculation of embedded emissions if the oil extraction site provides for a long-term geological storage site and provided that certain criteria are met. The conditions, identical to those for carbon capture and storage (CCS), are spelled out in Annex II, Section B.8.2 to Implementing Regulation (EU) 2025/2547.

4.24. Are emission factors from life-cycle assessments (LCA) / life-cycle inventory databases accepted?

No, emission factors from life-cycle assessments (LCA)/life-cycle inventory databases are not accepted for calculating embedded emissions of CBAM goods.

4.25. What are the default values? How does this work?

During the definitive period, authorised CBAM declarants can use default values for all types of CBAM goods other than electricity in cases where verified actual embedded emissions data for those goods is not available. The default values for goods imported into the customs territory of the EU (except for electricity) are defined in Annex I to Implementing Regulation (EU) 2025/2621.

Those default values are country- and year-specific. Where the CBAM good is not explicitly listed or where it is listed but the relevant field shows a "-", CBAM declarants have to use the default values from the table "Other countries and territories" in Annex I.

The default values for CBAM goods in Annex I have to be increased by a proportionately designed percentage 'mark-up' in their value. These mark-ups are 10% in 2026, 20% in 2027, and 30% from 2028 onwards. A lower mark-up of 1% applies to the fertiliser sector from 2026 onwards.

The default values including mark-up have been determined to ensure that embedded emissions are not underestimated when applying default values. Therefore, it should in most cases be more advantageous for authorised CBAM declarants to use the actual values where these are available, than to use default values.

Operators of an installation in a third country can also use default values for precursor goods in combination with actual data for the emissions of their process, where data on the actual embedded emissions of precursor goods they have purchased is not available to them. Where the operators know the country of production of the precursor good, they should use the default values of Annex I to Implementing Regulation (EU) 2025/2621 (increased by the relevant mark-up). Where the country of production of the precursor good is not known, they should use the default values of Annex IV to Implementing Regulation (EU) 2025/2621 (increased by the relevant mark-up).

4.26. How were the default values determined?

The default values of Annex I to Implementing Regulation (EU) 2025/2621 build on the methodology established by the European Commission's Joint Research Centre in 2023 for the transitional period. They are based on the best and publicly available data and using data provided by third-country producers during the transitional period in the CBAM registry. Where insufficient reliable data was available, the default values to use are the values in the table "Other countries and territories" of Annex I which correspond to the average of the ten exporting countries with the highest emission intensities per good.

4.27. How should emissions resulting from the use of biomass be accounted for?

The CBAM methodology follows the same rules as the EU ETS.

If biomass is used as a process input (e.g. where charcoal is used as a reducing agent in a blast furnace or for producing electrodes), emissions from the biomass use are not accounted for ('zero-rating').

If biomass (solid, liquid or gaseous) is used as a fuel (i.e. for energy purposes), emissions are accounted for unless the biomass fulfils the relevant sustainability and greenhouse gas savings criteria of the Renewable Energy Directive (EU) 2018/2001. The applicable criteria depend on the type of biomass used.

4.28. If a facility is used simultaneously by multiple production processes, how do you attribute the emissions from that facility to each production process?

All inputs, outputs and corresponding emissions in an installation should be attributed to the production processes identified, taking into account the system boundaries as defined in Annex I to Implementing Regulation (EU) 2025/2547.

Overall, the relevant emissions of an installation should be 100% covered by production processes for CBAM goods and any non-CBAM goods, where applicable.

For an installation with several production processes, if there are shared equipment, shared 'source streams' or shared emission sources inputs, outputs and emissions should be attributed to the different production processes with an appropriate share. The attribution principles and specific rules are established in Annex III to Implementing Regulation (EU) 2025/2547.

4.29. Should saleable off-spec products be considered for the determination of the activity level?

If the off-spec product is saleable, it should be included in the activity level, provided it is listed in Annex I of Regulation 2023/956.

4.30. If a final good classified as a CBAM good is in fact consisting of a metal part (a CBAM good) and another material (not considered as a CBAM good) assembled together: what mass should be accounted for when evaluating whether the de minimis threshold is met? How should the embedded emissions of that final good be computed?

As this final product is classified under a CN code which is listed in Annex I to Regulation (EU) 2023/956, it falls under the scope of CBAM.

The net mass of this CN code in the Customs Declarations will be taken into account to assess if the importer is above the 50 tonnes threshold. When imports of a CBAM declarant of this assembled product (with relevant CN/TARIC code) exceed 50 tonnes per calendar year, then the declarant is subject to all obligations under the CBAM Regulation.

In order to determine embedded emissions of the final good based on actual values, the following elements should be followed:

This product can be considered as a 'complex CBAM good' since it is made of a metallic part, which can be considered as a CBAM 'precursor' (an input material also listed in Annex I to Implementing Regulation (EU) 2025/2547), and of another material that is not listed in Annex I to that Regulation. Thus, embedded emissions of the final CBAM good (based on actual values) purely consist of the embedded emissions of the metallic part as a precursor and should be computed based on that information only (either using actual values or default values set by the Commission, see Implementing Regulation (EU) 2025/2621).

When embedded emissions of the complex good are determined based on default values, the default values laid down in Annex I of Implementing Regulation (EU) 2025/2621 shall be used.

4.31. Which transformation processes of iron and steel and aluminium products need to be taken into account for determining the embedded emissions?

For each production process producing goods in the category ‘iron or steel products, transformation processes that are within the system boundaries are established in Section 3.16.2 of Annex I to Implementing Regulation (EU) 2025/2547. Those include all processes directly or indirectly linked to the production process, among others re-heating, re-melting, casting, hot rolling, cold rolling, forging, pickling, annealing, coating, galvanising, wire drawing, and exclude plating, cutting, welding, and finishing of iron or steel products.

For production processes producing goods in the category of aluminium products, the transformation processes that are within the system boundaries are established in Section 3.18.2 of Annex I to Implementation Regulation (EU) 2025/2547. Those include all processes directly or indirectly linked to the production process, and exclude cutting, welding, and finishing of aluminium products.

If these processes occur in secondary installations or are outsourced to other companies and the goods are subsequently returned to the primary installation, they should be treated as if they happen in the primary installation.

4.32. What happens if the calculation results in a negative CBAM obligation?

In case where the calculation results in a negative CBAM obligation for a certain good, the CBAM obligation for such good is set at 0. [This would be the case when the embedded emissions are below the free allocation adjustment or when the carbon price paid in the country of origin is higher than the EU ETS price].

This also applies when a CBAM declarant imports several CBAM goods including one that has a negative CBAM obligation. In such case, the negative value is set at 0 and cannot be deducted from the CBAM obligations of this declarant for its other CBAM goods.

5. ACCREDITATION AND VERIFICATION

5.1. What competence is required to qualify as an accredited CBAM verifier?

Any legal person can apply for CBAM accreditation. They can be based in an EU Member State or in a third-country.

The company will need to demonstrate knowledge of EN ISO standards 14065 (general principles and requirements for bodies verifying environmental information) and 17029 (General principles and requirements for validation and verification bodies) as well as of data and information auditing.

It is also necessary to demonstrate knowledge of CBAM rules, in particular pertaining to accreditation, verification, the monitoring and calculation of emissions, and the adjustment for free allocation.

The company must also provide core requirements of independence (vis-à-vis operators and EU authorities) and impartiality.

All these requirements are thoroughly specified in Commission Delegated Regulation (EU) 2025/2551.

5.2. Where can I apply to become an accredited CBAM verifier?

Only a national accreditation body (NAB) located in an EU Member States (or an EEA country after the incorporation of the CBAM Regulation in the EEA Agreement) may provide a CBAM accreditation.

European cooperation for Accreditation (EA) facilitates the sharing of information by publishing a directory of national accreditation bodies that provide CBAM accreditation. The directory is published on EA's website.

Verification companies that are established in an EU Member State or EEA country must apply in the NAB of their Member State or EEA country of establishment, if the accreditation service is provided. Verification companies that are established in a third-country may apply in any national accreditation body providing this service.

5.3. Is there a fee for applying for CBAM accreditation?

Yes. Each EU Member States' national accreditation body set a fee to cover the cost of accreditation and, following the accreditation, the cost of annual surveillance activities. The cost of accreditation varies, depending notably on the size and location of the applicant as well as the number of activity groups sought during the application.

5.4. How will the EU national accreditation body process the application for accreditation?

As required under the CBAM regulation, applicants will need to apply for accreditation in an EU Member State's national accreditation body (NAB).

Applicants will have to provide adequate guarantees of competence and impartiality. Among other things, they will need to possess the competence to apply the verification rules and knowledge on the CBAM methodology rules for the calculation of embedded emissions.

When performing the assessment of requests for accreditation, the national accreditation body will perform the following actions:

a) review the required information supplied by the applicant;
b) carry out an on-site visit of the premises of the applicant to review a representative sample of the internal verification documentation and assess the implementation of the applicant's quality management system and the procedures or processes for carrying out verification activities;
c) witness the performance and competence of a representative number of the applicant's staff involved in verifying operators' emissions reports to ensure that they operate in accordance with CBAM rules.

5.5. Does CBAM accreditation last forever?

No. The CBAM accreditation is only valid for five years, it may however be renewed for the same period following a reassessment carried out by the national accreditation body designed to ensure that the verifier continues to meet the CBAM requirements.

The national accreditation body also undertakes an annual surveillance of the verifier. Where the verifier no longer meets the CBAM requirements, the national accreditation body will take administrative measures such as the suspension or withdrawal of the accreditation or suspend a specific scope of accreditation.

5.6. Once accredited, can a CBAM verifier verify any installation?

An accredited verifier may perform verification activities anywhere in the world and the verification report will be considered valid across EU Member States.

However, an application for CBAM accreditation can be made for different scopes of accreditation, mainly based on aggregated goods categories. As a result, a verifier may be accredited for the verification of only specific CBAM goods e.g. cement, or fertilisers.

Therefore, if the installation produces a CBAM good corresponding to a scope of accreditation for which the CBAM verifier is not accredited, the verifier may not be qualified to undertake the verification.

5.7. Which ISO standards must be met by CBAM verifiers?

CBAM verifiers will have to demonstrate compliance with EN ISO 17029 ('general principles and requirements for validation and verification bodies'). EN ISO 14065 ('general principles and requirements for bodies validating and verifying environmental information') is a relevant sector application of EN ISO 17029, therefore the CBAM verifier will also have to demonstrate compliance with this standard.

5.8. Can an accredited CBAM verifier outsource the verification work to a local branch or subsidiary company located in a third country? Would this local branch or subsidiary need to obtain a separate CBAM accreditation?

An accredited CBAM verifier may outsource certain verification activities to another verifier, in accordance with and within the limits set out by CBAM accreditation and verification rules and EN ISO 14065.

The accredited verifier – and not the outsourced body – will retain full responsibility for the verification and the verification report. Furthermore, the accredited verifier may not outsource the issuance of the verification report or the technical review of the report.

The outsourced body will need to provide sufficient guarantees e.g. of impartiality and independence. The operator will also need to provide its consent to outsource certain verification activities.

The national accreditation body may carry out an assessment of the outsourced body as part of its accreditation or surveillance activities of the verifier.

5.9. How will the reliability of the reported information on CBAM emissions be ensured?

The Commission, in collaboration with Member States authorities, will continuously monitor reported emissions and corresponding trade, to identify practices of circumvention and non-compliance with the CBAM Regulation and its secondary legislation.

The declared actual emissions embedded in goods imported from 1 January 2026 must be verified by an accredited CBAM verifier. The verifier will check that the calculation of the embedded emissions provided by the operator is correct. The declarant will include the operator's calculation of embedded emissions and the verification report in the CBAM declaration.

The Commission and Member States' national competent authorities will review the CBAM declaration. National competent authorities may impose penalties when the CBAM declaration contains errors.

5.10. Who can I contact to verify the embedded emissions in my imported CBAM goods?

Only third-country operators producing CBAM goods can decide to monitor and calculate their emissions in line with the CBAM methodology rules and to ensure the verification of their calculation. If operators choose not to offer this service, declarants will have to use default values.

Operators may have recourse to any verifier that is duly accredited for CBAM. All accredited CBAM verifiers will be registered in the CBAM Registry. In addition, the Commission will regularly publish the list of accredited CBAM verifiers on a public website. Finally, EU national accreditation bodies have the obligation of publishing information on the entities that they accredited.

Declarants will receive information on actual verified emissions from registered operators directly in the CBAM registry. In 2027, operators are not required to register in CBAM Registry. They may send the information to declarants outside the CBAM Registry. In this case, the declarant will then have to upload this information in the CBAM Registry as part of the submission of the CBAM declaration. The CBAM registry module for the submission of the CBAM declaration will open in 2027.

5.11. I am an importer. Private organisations are contacting me to offer a paid verification services. Is this legit?

Importers should only receive the information on actual verified emissions of imported goods from the third-country operator which produced the goods. If anyone else contacts importers to offer you a verification report, it is likely a scam.

The first verification reports are expected to be produced in early 2027. The third-country operator should already register in the CBAM registry to ensure the simple and secure transmission of information on actual verified emissions to the declarant. If the operator is not registered in the CBAM registry, they will need to transmit this information to importers via private channels, and importers will have to provide the information themselves in the CBAM registry.

5.12. I import CBAM goods. How can I make sure that I will be able to use actual verified emissions for my first CBAM declaration due by 30 September 2027?

The first step is to contact the operator who produced the CBAM goods and to enquire whether they intend to provide actual verified emissions. Operators may also register in the CBAM registry, and this step will facilitate the use of declarants of actual verified emissions.

Operators should take immediate and concrete steps in 2026 to monitor and calculate their embedded emissions. They will then need to find an accredited CBAM verifier to verify the correctness of the calculation.

National accreditation bodies should issue the first CBAM accreditation around September 2026. While no verification work can take place before accreditation is granted, operators may already establish contacts with verifiers that are seeking to obtain CBAM accreditation. This will ensure that the verification work can be carried out swiftly in early 2027, after accreditation is obtained.

For future years, operators that have already established a monitoring system and provided actual verified emissions for a given reporting year are more likely to repeat this exercise for the future reporting years. Contacts with operators is crucial to ensure that actual verified emissions will continue being available in the future.

5.13. I am an importer. Am I responsible for a mistake in my verification report?

The declarant is the only person legally responsible for the content of the CBAM declaration, which includes the verification report. If there is an error in the verification report that has an impact on the total number of CBAM certificates to be surrendered, the declarant may be liable to pay a penalty.

Where the error is the result of incorrect information provided by a third party, such as the verifier, the national competent authority may reduce the amount of the penalty.

Good cooperation and dialogue between the declarant and the national competent authority is essential. The Commission will adopt in the coming months an implementing act on the procedure for submitting the CBAM declaration.

5.14. Will the Commission provide guidance documents and trainings on verification?

Commission services regularly provide information and training materials on the dedicated CBAM webpage of DG TAXUD. The webpage provides links to webinars organised on topics such as verification.

Commission services will publish guidance documents explaining further the rules on the calculation of embedded emissions as well as accreditation and verification rules.

5.15. I am operator. Do I need to set up a site visit with the accredited verifier every year?

In principle, the verifier is required to carry out a physical site visit at the installation where the goods are produced. This is always the case for the first site visit, except in case of serious, extraordinary and unforeseeable circumstances.

In a second consecutive year subject to verification, the physical site visit may sometimes be replaced by a virtual site visit or even by a waiver (= no physical nor virtual site visits). However, this is only possible in specific circumstances, where strict conditions apply. The installation must not be overly complex, and the verifier must have a good understand of it. There must not have been any no significant changes or modifications to the installation made since the last physical site visit. Finally, the verifier must be able to obtain and assess all relevant information remotely, and to have reasonable assurance that the operator's emissions report is free from material misstatement and non-conformities.

A physical site visit must take place during the previous reporting period in order to organise a virtual site visit during the following year. A physical site visit must take place during the last two reporting periods in order to waive the obligation to carry out a site visit.

A specific waiver of the obligation to carry out a site visit applies for electricity installation that do not emit greenhouse gases. If specific conditions are met, the site visit may be waived provided that there has been at least one physical site visit in the last five reporting periods.

5.16. Will verifiers be required to carry out a physical site visit of installations in Ukraine, despite the challenging situation of Russia's war of aggression?

Article 4(a) of Implementing Regulation (EU) 2025/2546 on verification principles allows the verifier to carry out a virtual site visit instead of a physical site visit, in cases of serious, extraordinary and unforeseeable circumstances outside the control of the operator ('force majeure' circumstances). The verifier will need to make sure that the special circumstances cannot be overcome and take steps to ensure that they can still obtain reasonable assurance that the report is free from material misstatements.

Russia's aggression war against Ukraine would qualify as a serious, extraordinary and unforeseeable circumstance.

The decision of the verifier to carry out a virtual site visit may be subject to ex post scrutiny from the national accreditation body, as well as from the Commission and the NCA as part of the review of the CBAM declaration. Further details on the application of this provision will be provided in the guidance document on accreditation and verification that Commission services are currently preparing.

5.17. I am a declarant. Which verification report should I use to provide actual verified emissions for a given good?

Declarants must provide actual verified emissions embedded in the production of the imported goods. This means that the actual verified emissions must correspond to the year of production (or 'reporting period') of the good. To facilitate the burden of proof, the year of production is presumed to be the year of importation. For example, if the import of a CBAM good takes place on 1 January 2026, the reporting period is presumed to be the year 2026, and the declarant will have to provide, in the CBAM declaration due by 30 September 2027, the actual verified emissions corresponding to the year 2026.

However, where there is sufficient evidence to identify the actual time of production, the declarant may also use the reporting period that corresponds to the period where the good was produced. For example, this would be the case if the import of a CBAM good takes place on 1 January 2027 but there is evidence that this good was produced on 30 November 2026. In this situation, the declarant could either use actual verified emissions corresponding to the reporting year 2027 (the presumption) or provide evidence of the actual time of production and use actual verified emissions corresponding to the reporting year 2026.

For goods imported during the year 2026, the reporting period is legally set to the year 2026, even if the good has in fact been produced during previous years. If there is not

actual verified emissions corresponding to the reporting year 2026, default values must be used.

5.18. I am an operator. Can I rely on actual verified emissions for precursors used but not produced in my installation?

Emissions embedded in precursors are treated as any other CBAM goods: either default values or actual verified emissions may be used.

If actual values are used, the operator of the installation producing the precursor must provide the actual verified emissions to the operator of the installation producing the complex good. From 2028 onwards, operators will be able to share with each other actual verified emissions of precursors via the CBAM Registry. In the meantime, they will have to exchange this information outside the CBAM Registry.

As part of the verification of the embedded emissions produced by the operator of the complex good, the CBAM verifier will review the verification report of the precursor to ensure that it can be relied upon. By default, the verifier will assess the verification report corresponding to the reporting period (or 'year of production') of the complex good. However, the verifier may also assess the verification report corresponding to the reporting period of the precursor if there is sufficient evidence to determine the actual time of production is provided.

5.19. Is proof of English language proficiency required for verification personnel (lead verifiers and technical reviewers)?

For each verification engagement, the verifier must assemble a verification team composed of one CBAM lead auditor, which must have demonstrated competence to communicate effectively in English. In addition, the team must include at least one CBAM auditor with the ability to communicate effectively in the language of the operator.

The verification report must be issued in English. The independent reviewer who will review the draft verification report and internal verification documentation must also be able to communicate effectively in English.

5.20. Are goods produced in 2025 but imported in 2026 subject to CBAM, irrespective of the production year?

Yes. CBAM applies to all imports of CBAM goods into the EU from 2026 onwards, regardless of when the goods were produced or when the sales contract was concluded.

What matters is the moment when the customs declaration releasing the CBAM goods for free circulation is accepted by the customs authorities in an EU Member State. Therefore, goods produced in 2025 but imported in 2026 are subject to CBAM.

For goods imported during the year 2026, the reporting period to be used to determine the embedded emissions is legally set to the year 2026, even if the good has in fact been produced during previous years. This presumption is in place to facilitate the burden of proof, as declarants would otherwise need to prove the year of production of all imported goods. For the year 2026 specifically, it is not possible to provide emissions data corresponding to the production of goods produced before 1 January 2026. The reason is that there was no CBAM verification at the time, and no accredited CBAM verifier, which would allow reporting of actual verified emissions.

5.21. How should emissions from precursors produced at another installation be accounted for?

Where emissions are released by precursors produced at another installation, there are two options. Either the operator may use default values for the emissions embedded in the precursor, or the verifier of the operator takes into account actual verified emissions, provided that there is such a verification report corresponding to the installation of the precursor good. Only actual values contained in a verification report may be taken into account. The verification report of the complex good would then contain summarized information on all precursors for which actual values are reported.

6. SECTOR-SPECIFIC RULES

Cement

6.1. Is cement defined as a complex good in the scope of the CBAM?

Yes. Cement is defined as a complex good in the scope of CBAM, because clinker is a precursor to cement and clinker itself is in the scope of CBAM.

Fertilisers

6.2. Are the exothermic chemical reactions involved in fertiliser production accounted for as direct emissions?

If a reaction leads to the generation of CO2, e.g. through the oxidation of organic chemicals, and the CO2 is emitted, it is accounted for as direct emissions.

Emissions from the conversion of natural gas to hydrogen also count as direct emissions.

6.3. Can CO2 bound in urea be counted as negative emissions?

No. Under the EU ETS, the CO2 bound in urea does not count as negative emissions. Therefore, no discounts for CO2 bound in urea apply for the purpose of reporting emissions under CBAM. This also means that the CO2 generated in ammonia production and transferred to urea productions counts as emission under the ammonia production.

Iron and steel

6.4. When calculating the embedded emission of steel products, are auxiliary processes such as lime kilns or coke oven plants included in the boundary calculation?

System boundaries are defined for each production processes depending on which aggregated goods category the produced goods belong to, as specified in Annex I to Implementing Regulation (EU) 2025/2547.

Lime kilns and coke oven plants are not included in the system boundaries for iron and steel production. This is because the outputs of those plants (i.e. lime and coke) are not CBAM goods themselves. Consequently, lime and coke are also not considered precursors for the calculation of the specific embedded emissions.

6.5. Do iron ore pellets fall within the scope of CBAM?

Yes. Iron ore pellets fall under CN code 2601 12 00 ‘Agglomerated iron ores and concentrates, other than roasted iron pyrites’.

Aluminium/Steel

6.6. Should embedded emissions of aluminium/steel goods be determined separately for different alloy grades?

Embedded emissions are determined for each functional unit. As a reminder, according to article 4 of Implementing Regulation (EU) 2025/2547, the functional unit is defined by default as "the quantities of goods produced in tonnes classified under the same CN code", subject to exceptions specified in that article. Thus, specific embedded emissions have to be computed for each CN code separately. Within the same CN code, the content of alloying elements or the share of input scrap may vary. Nevertheless, embedded emissions have to be reported per CN code, no matter the difference in content of alloying elements.

Electricity as a CBAM good

6.7. Does CBAM apply to electricity generated in the Exclusive Economic Zone (EEZ) of EU Member States?

No. such electricity is not subject to CBAM.

There is no obligation, regarding such electricity, to apply for the status of authorised CBAM declarant, nor to access the CBAM Registry.

6.8. Who is the CBAM authorised declarant for electricity imports in the definitive period?

As for the other CBAM goods, the CBAM authorized declarant for electricity is the person who includes their CBAM account number in the customs declaration, namely the importer or the indirect customs representative. As it is the case for other CBAM goods, importers established outside of the EU must appoint an indirect representative to fulfil the CBAM obligations. There is also the possibility to appoint service providers for CBAM purposes, but this does not lift importers (or indirect representatives, where applicable) from liability.

6.9. Who should apply to become an "authorised CBAM declarant" for electricity imports in the definitive period?

As for the other CBAM goods, either the importer of electricity or the indirect customs representative of the importer can apply to become an "authorized CBAM declarant". For CBAM purposes, the "importer" is either the person lodging a customs declaration for

release for free circulation or, where the customs declaration is lodged by an indirect customs representative, the person on whose behalf the customs declaration is lodged.

According to Article 5(4) of the CBAM Regulation, there is a special regime for the authorisation procedure where transmission capacity for the import of electricity is allocated through explicit capacity allocation (note that this special regime for authorizations does not imply a special regime for determining who can be the CBAM declarant).

Importers of electricity covered by Article 5(4) of the CBAM Regulation, and who are regarded as CBAM declarants, will be required to submit supporting documents to the competent authority of the Member State where the customs declaration was lodged (this can be any previous customs declaration covering such electricity). The supporting documents will need to prove that explicit capacity was allocated to the importer and that the importer has nominated that capacity. The NCA will then automatically allocate a CBAM account number to the importer. The importer will be required to use this CBAM account number in customs declarations covering CBAM goods starting from 1 January 2026.

If the person who has been allocated capacity and who nominates this capacity is not the "importer" (as per definition above), Article 5(4) does not apply. For such cases, the "importer" will need to follow the standard authorisation process. Similarly, if the person to whom capacity has been allocated and who nominates this capacity is the "importer" but uses an indirect customs representative for CBAM purposes, this indirect customs representative will need to follow the standard authorisation process.

Importers established in a third country must appoint an indirect customs representative to fulfil the CBAM obligations. This indirect customs representative will need to follow the standard authorisation process.

6.10. Which CO2 emission factors should be used to determine the embedded emissions for imported electricity?

Default values for imported electricity are determined for a third country, group of third countries or region within a third country, based on the best data available to the Commission. The default values are CO2 emission factors per country based on data from the International Energy Agency (IEA) covering a 5-year average. They are listed in Annex III to Implementing Act (EU) 2025/2621 on default values.

When there is no specific default value available for the country of production of the imported electricity, the CO2 emission factor in the EU shall be used. It is also based on IEA data and provided in Annex III to Implementing Act (EU) 2025/2621 on default values.

6.11. How does CBAM apply to electricity in transit?

How CBAM applies to electricity in transit depends on the context of the transit. Consider the three cases below (in which "third country" refers to countries and territories to which the CBAM applies):

- Case 1 - Electricity is produced in the EU, goes to a third country, then re-enters and is consumed the EU: In such a case the country of origin of the electricity is the EU country and thus CBAM does not apply.
- Case 2 - Electricity is produced in a third country (A), enters the EU, then goes to another third country (B) for consumption. CBAM does not apply. CBAM only applies to electricity that is released for free circulation in the EU (i.e. electricity that is imported). If the electricity is placed under Union transit procedure and is thus not imported, CBAM does not apply.
- Case 3 – Electricity is produced in a third country (C), goes to another third country (D), then enters and is consumed the EU: CBAM applies. If the embedded emissions of that electricity are calculated for CBAM purposes based on default values, then the value to be used for the calculation is the one for country C.

6.12. What are the requirements to declare actual embedded emissions of electricity, the so called "conditionality"?

The actual emissions data of a specific electricity-producing installation may be used, if the criteria in the CBAM Regulation (Annex IV (5)) are met, the so called 'conditionality').

The following conditions shall be met, bearing in mind that the criteria are cumulative.

The amount of electricity for which the use of actual embedded emissions is claimed is covered by a power purchase agreement between the authorised CBAM declarant and a producer of electricity located in a third country;

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;

The installation producing electricity does not emit more than 550 grammes of CO2 of fossil fuel origin per kWh of electricity;

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.

The elements of evidence that must be submitted to demonstrate that the above are met are laid down in Annex II, Section D.2.4 of Implementing Regulation (EU) 2025/2547 on methodology.

The Commission has proposed to modify the conditions to declare actual embedded emissions of electricity in the CBAM amendment proposal that was tabled on 17 December 2025. The proposal is under discussion by the co-legislators and the outcome of their deliberations cannot be anticipated. Meanwhile, the above-mentioned conditions must be complied with when declaring actual embedded emissions.

6.13. Which are the system boundaries to determine the embedded emissions of electricity?

Only the direct CO2 emissions during the production of electricity are considered for the reporting. For example, no upstream emissions related to the production and installation of wind turbines are considered.

7. CUSTOMS

General

7.1. Can an importer use different customs representatives for the customs declaration and the CBAM declaration?

Yes. Under the definitive CBAM regime, CBAM obligations are linked to the importer or, where applicable, to an indirect customs representative acting as authorised CBAM declarant.

Where the importer is established in an EU Member State, the importer is responsible for fulfilling the CBAM obligations and must hold the status of authorised CBAM declarant, unless an indirect customs representative acts as authorised CBAM declarant for the goods concerned.

Where the importer is not established in an EU Member State, the indirect customs representative must act as the authorised CBAM declarant and is responsible for fulfilling the CBAM obligations in relation to the imported goods.

For CBAM goods covered by the same customs declaration, there may be only one indirect customs representative acting as authorised CBAM declarant.

An authorised CBAM declarant may delegate the technical submission of the CBAM declaration to another person acting on its behalf. Such delegation does not affect legal responsibility, which remains with the authorised CBAM declarant.

7.2. What happens if an indirect customs representative does not agree to carry out CBAM declaration?

This is only possible in cases where the importer is established within the EU. Where on the contrary the importer is not established in the EU, the importer must appoint an indirect customs representative who has to fulfil the CBAM obligations.

Where an indirect customs representative does not agree to act as authorised CBAM declarant in cases where refusal is possible, the indirect customs representative shall notify the importer accordingly, informing the importer of the obligation to comply with the CBAM requirements.

7.3. Can a direct customs representative act as a CBAM authorised declarant for companies established in the territory of the EU?

EU importers can indeed appoint direct or indirect customs representatives. However, the CBAM obligations lie on the person who included the CBAM account number in the customs declaration.

Even in the case where the importer appoints a direct customs representative, that importer remains liable for CBAM obligations. In other words, the importer remains the declarant for CBAM purposes.

Nothing prevents importers from appointing service providers who may assist them in preparing and submitting the necessary documents to comply with their CBAM obligations, but the responsibility for complying with those CBAM obligations, even in such cases, lies on the importers or, where the case may be, on the indirect representatives.

7.4. Which is the relevant NCA in case an importer is a branch of a company registered in a third country, and both share the same EORI number?

If the parent company is a legal person that is not established in an EU MS and it has a branch in an EU Member State, which is not a 'person' as defined by Article 3(18) of Regulation (EU) 2023/956, neither the parent company nor the branch are eligible to become authorised CBAM declarants and they will have to be represented by an indirect customs representative.

If the parent company has a branch (e.g. registered office) established in an EU Member State that meets the definition of a 'person' under Article 3(18) of Regulation (EU) 2023/956, the Member State where it is established would be considered the Member State of the relevant NCA for the branch.

7.5. Must goods transiting in the EU be declared under CBAM?

No. If goods are declared for temporary admission, for example under Article 95 of Council regulation (EC) No 1186/2009, they do not fall under the scope of the CBAM. Only goods released for free circulation into the EU are subject to the CBAM.

Similarly, the CBAM does not apply in respect to samples of non-EU origin (e.g. sent for testing), which are declared for temporary admission and not released for free circulation.

For electricity as a CBAM good, please also note the information provided under the relevant section of this document (See section 6. Sector-specific rules, questions from 6.7. to 6.13).

7.6. Will the CBAM obligation apply to CBAM goods that have entered free circulation within the EU due to non-compliance with a customs procedure other than import (e.g., temporary admission), and for which all duties and taxes have already been paid through the said non-compliance procedure?

The release of the goods for free circulation requires that the CBAM requirements have been fulfilled. Therefore, the controls on whether or not those requirements have been fulfilled should precede the release of the goods for free circulation.

In case of non-compliance, Article 198(1)(b) of the Union Customs Code (UCC) would apply (i.e. "*the customs authorities shall take any necessary measures, including confiscation and sale, or destruction, to dispose of goods where the goods cannot be*

released because they are subject to prohibitions or restrictions"), because the goods are subject to CBAM requirements which have not been fulfilled.

In such a case, Article 198(2) UCC would apply as well (i.e. "*non-Union goods which have been abandoned to the State, seized or confiscated shall be deemed to be placed under the customs warehousing procedure*").

7.7. Do I need to declare CBAM goods that are placed under the inward processing regime?

CBAM becomes due only for goods that are released for free circulation in the EU. Thus, in the case of CBAM goods that are placed under a custom's suspensive regime in view of their future export or in view of their processing, no CBAM obligation is triggered.

Note, however, that where CBAM goods placed under the inward processing regime are released for free circulation, CBAM obligations apply.

Where CBAM goods placed under the inward processing regime are processed into products that are released for free circulation, the authorised CBAM declarant shall include in the CBAM declaration the quantities and embedded emissions of the CBAM goods that were placed under inward processing and that resulted in the imported products, even where the final products are not listed in Annex I.

In such cases, customs documentation relating to the discharge of the inward processing regime, including the bill of discharge, may be used for verification and control purposes, in particular to establish the link between the CBAM goods placed under inward processing and the products released for free circulation.

7.8. There is a tariff suspension on the CBAM good that I have imported. Am I exempt from the CBAM?

EU legislation provides for some tariff suspension, such as through Council Regulation (EU) 2023/2890 of 19 December 2023 amending Regulation (EU) 2021/2278 suspending the Common Customs Tariff duties referred to in Article 56(2), point (c), of Regulation (EU) No 952/2013 on certain agricultural and industrial products.

Such tariff suspension has no effect on the CBAM obligations, which still apply even in the case of a tariff suspension.

7.9. What happens if indirect customs representatives agree to act as CBAM declarants only for some goods but not for others? Do they need to submit two different customs declarations, one for the goods for which they act as CBAM declarant and one for which they do not?

Yes, this is correct. Indirect customs representatives, who agree to act as CBAM declarants only for some goods but not for others, would need to submit two separate customs declarations, one for the goods for which they act as CBAM declarants and one for the goods for which they do not.

7.10. Can an indirect customs representative holding an "Entry into the Declarants Records" (EIDR authorisation) also refuse to act as CBAM declarant if acting on behalf of an EU-importer for customs purposes?

Art. 2(1b) of the Implementing Regulation provides that a person holding an authorisation to import through an "Entry into the Declarants Records" (EIDR authorisation) can act as CBAM declarant.

The general provisions of Art. 8(3) of the Implementing Regulation apply to this case as well. Thus, yes indeed, a person holding an EIDR authorisation can also refuse to act as CBAM declarant.

7.11. Does the exemption from the CBAM obligations apply to inward processing EX/IM (prior exportation), including where a TORO is used?

Inward processing EX/IM applies where Union processed products are exported and an equivalent quantity of non-Union raw materials corresponding to those exported processed products is declared for inward processing upon entry into the customs territory of the Union.

As those non-Union raw materials are declared under the inward processing regime and are not released for free circulation, they are not subject to CBAM and therefore fall outside the CBAM obligations.

The use of a Transfer of Rights and Obligations (TORO) does not affect this assessment and is not relevant for determining the applicability of the CBAM obligations.

This does not prevent the Commission from monitoring such operations and assessing whether they may constitute a circumvention practice, where the conditions laid down in Article 27 of Regulation (EU) 2023/956 are met.

7.12. What is the current status of Northern Ireland with respect to the Customs territory of the Union and the application of CBAM?

CBAM is not listed in Annex 2 of the Protocol of Ireland and Northern Ireland (NIP) in the EU-UK Withdrawal Agreement. Therefore, CBAM does not apply to Northern Ireland.

7.13. Is Northern Ireland part of the customs territory of the Union?

No. Northern Ireland is not part of the EU customs territory. However, the Union Customs Code (UCC) applies in Northern Ireland pursuant to Articles 4 and 13(1) of the Protocol on Ireland and Northern Ireland.

7.14. Are goods of GB origin transferred to the EU from Northern Ireland subject to CBAM?

Yes. Goods of GB origin transferred from Northern Ireland to the EU are subject to CBAM provided that they are imported into the customs territory of the Union.

7.15. Are companies established in Northern Ireland required to use indirect customs representatives when importing CBAM goods into the EU?

Yes. Companies established in Northern Ireland must use an indirect customs representative when releasing CBAM goods from third countries into free circulation in the EU.

Rules of origin

7.16. How should EU origin be documented?

Concerning the documentation of the EU origin for CBAM purposes, code Y237 shall be used for goods of EU origin. The EU non-preferential origin shall be proven in the same way as for any other non-preferential origin – i.e. based on free evidence [see also question 7.18 on the use of the PEM preferential proof of origin].

7.17. Which rules for providing data in the declaration and for documenting the country of origin of the CBAM goods shall be used for the countries and territories listed in Annex III?

The standard rule for providing the respective data in the declaration and the standard rules for documenting the country of origin shall be applied [see also reply to question 7.16].

CBAM will not apply to countries and territories listed in Annex III to the Regulation. As these countries are excluded from the scope of integrated measures in TARIC, no such document code will be required at the importation into the EU, and thus no such code will be created.

To Büsingen, Heligoland, or Livigno, which are also excluded from CBAM, code Y134 applies.

7.18. In case of CBAM goods brought to the customs territory of the Union from Switzerland, may preferential origin proofs be used for the purpose of proving non-preferential origin?

According to the EU Guidance on non-preferential rules of origin, proof of non-preferential origin is all evidence submitted to support the declared non-preferential origin. While a proof of preferential origin is in principle not acceptable as a proof of non-preferential origin, it may be taken into consideration in the verification of a declared non-preferential origin if the declarant can establish that the goods concerned acquired their preferential originating status in accordance with rules identical to those applicable to determine their country of origin in accordance with Article 60 UCC.

Therefore, for CBAM purposes in the trade with Switzerland, a proof of origin issued according to the PEM preferential rules may be used for CBAM goods if the preferential rules of origin are the same or stricter than the non-preferential rules, no cumulation was applied and the information on non-cumulation is provided in that proof.

It shall be noted that where EU CBAM goods are used as materials in further production in Switzerland, there may be cases where the processing of those materials is not sufficient to confer Swiss non-preferential origin based on the EU non-preferential rules, while the same processing confers Swiss preferential origin to those goods based on cumulation applied in accordance with the PEM rules. For CBAM purposes, those CBAM goods will then keep their EU non-preferential origin and will be therefore also exempted from the CBAM related provisions.

7.19. Why are Norway and Iceland currently treated differently than Switzerland in the context of the CBAM?

Currently, and in view of the 2026 definitive phase of CBAM, there is no difference in the treatment of Norway and Iceland compared to Switzerland in the context of CBAM, in the sense that goods originating in any of the three countries are and will be exempted from CBAM.

Article 2 paragraph 4 of the CBAM Regulation provides that '[b]y 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.'

Norway, Iceland and Switzerland inter alia are listed in Annex III.

The situation will change once Norway and Iceland have incorporated the CBAM Regulation into the EEA Agreement, which they aim to do as of 1 January 2027. Following the incorporation, Norway and Iceland will apply the CBAM Regulation to CBAM goods at their external borders and will determine the origin of CBAM goods in line with the UCC legal framework for non-preferential rules of origin. Third country originating CBAM goods that were previously released for free circulation and subject to CBAM in the EEA EFTA would not be subject to CBAM also when imported in the EU.

From 1 January 2027, the TARIC document code Y423: 'Goods that have already been released for free circulation within the customs territory of an EEA EFTA State' should be used for goods that have already been released for free circulation in one of the EEA EFTA countries.

7.20. Does the CBAM apply to 'returned goods'?

Returned goods are goods fulfilling the conditions set out in Article 203 of the Union Customs Code (Regulation (EU) No 952/2013). These goods benefit from relief from import duty when they are released for free circulation.

Under the definitive CBAM period, applicable from 1 January 2026, returned goods of non-EU origin falling under Article 203 of the Union Customs Code are subject to the CBAM. In accordance with Article 6(5) of Regulation (EU) 2023/956, these goods must be included in the annual CBAM declaration, with the total embedded emissions reported as 'zero'.

Returned goods must also be taken into account when assessing whether the importer exceeds the 50-tonne threshold, even if the embedded emissions to be declared are zero.

For returned goods as defined in Article 205 of the Union Customs Code, the declarant must report the embedded emissions in the same way as for any other import of CBAM goods.

These provisions apply only to goods of non-EU origin. Where returned goods are of EU origin according to the applicable rules of origin, CBAM does not apply.

7.21. How shall the country of origin of a CBAM good be determined?

The basis for the determination of the country of origin of CBAM goods are the EU's non-preferential rules of origin as provided for in the UCC legislation[1].

Guidance on non-preferential rules of origin

7.22. What is the difference between "country of origin" and "country of production" of a CBAM good?

The "country of origin" of a CBAM good is determined as set out in the question above "How shall the country of origin of a CBAM good be determined"?

The "country of production" is the country in which the last physical processing of a CBAM good took place (excluding packaging). For CBAM reporting, the country of production is relevant since only the operator of the installation in which this last physical processing took place will be able to determine the specific embedded emissions of a good. It is also relevant in order to identify, where applicable, the default emission factor that should be used for the calculation of embedded emissions of imported electricity and indirect embedded emissions.

[1] Article 2(5) of the EU CBAM Regulation (Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism, http://data.europa.eu/eli/reg/2023/956/oj).

In most cases, "country of origin" and "country of production" will be the same for a given CBAM good, however in some instances they might be distinct.

TARIC document codes

7.23. Which TARIC document code should be used when an importer already holds authorised CBAM declarant status but has not yet exceeded the 50-tonne threshold?

Where an importer already holds authorised CBAM declarant status and knows that they will exceed the 50-tonne threshold during the year, TARIC code Y128 should be used from the moment the importer is aware that the threshold will be exceeded, together with the CBAM account number.

The use of TARIC code Y137 is only appropriate for importers who claim not expecting to exceed the 50-tonne threshold. Once it is foreseeable that the threshold will be exceeded, Y128 becomes the correct code.

7.24. Which Y code(s) should be indicated in the customs declaration when CBAM goods previously placed under inward processing are released for free circulation or introduced into an EEZ? Should both Y422 and Y128 be declared?

When CBAM goods are released for free circulation or introduced into an EEZ after having been placed under inward processing, operators must always indicate code Y422 in the customs declaration.

If another Y code is also applicable, it must be declared in addition to Y422. This includes for example:

- Y238, where an application for authorised CBAM declarant status has been submitted but no decision has yet been taken.
- Y128, where the importer already has a CBAM account number.

In such cases, Y422 must be declared together with the other applicable Y code or codes. Code Y422 is mandatory to identify that the goods were previously placed under inward processing.