

Carbon Border Adjustment Mechanism (CBAM) Questions and Answers

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General

Please note that this FAQ document is mainly focusing on the transitional phase of the Carbon Border Adjustment Mechanism (CBAM), which entered into force on 1 October 2023. Nonetheless, several questions concerning the definitive period (starting in January 2026) are also addressed.

1. Why is the EU putting in place a Carbon Border Adjustment Mechanism?

- The EU is at the forefront of international efforts to fight climate change. The European Green Deal set out a clear path towards achieving the EU's ambitious target of a 55% net reduction in greenhouse gas emissions compared to 1990 levels by 2030, and to become climate-neutral by 2050. In July 2021, the Commission made its Fit for 55 policy proposals to turn this ambition into reality, further establishing the EU as a global climate leader. Since then, those policies have taken shape through negotiations with co-legislators, the European Parliament and the Council, and many have now been signed into EU law. This includes the EU's Carbon Border Adjustment Mechanism (CBAM).
- As the EU raises its climate ambition and less stringent environmental and climate policies prevail in some non-EU countries, there is a strong risk of so-called 'carbon leakage' – i.e. companies based in the EU could move carbon-intensive production abroad to take advantage of laxer standards, or EU products could be replaced by more carbon-intensive imports. Such carbon leakage can shift emissions outside of Europe and therefore seriously undermine the EU's as well as global climate efforts. The CBAM will support the EU's increased climate ambition and ensure that climate action is not undermined by production relocating to countries with less ambitious policies.

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

- The European Parliament and the Council of the European Union, as co-legislators, signed the [CBAM Regulation \(EU\) 2023/956](#) on 10 May 2023. The CBAM entered into application in its transitional period on 1 October 2023, with the first quarterly reports due by 31 January 2024. The set of rules and requirements for the reporting of emissions under CBAM are further specified in [Implementing Regulation \(EU\) 2023/1773 laying out reporting rules during the transitional period](#). The Commission has set up the transitional CBAM registry, is preparing further secondary legislation, and carrying out the planned analysis. The definitive period of CBAM will enter into force in January 2026.
- The European Commission has made available detailed guidance for the application of CBAM during the transitional period. These include detailed manuals, webinars, e-learning, and other materials. All information supporting the implementation can be accessed on the [Commission's CBAM webpage](#).

3. How does the CBAM work?

- The CBAM has been designed to comply with the EU's international commitments and obligations including World Trade Organisation (WTO) rules. The CBAM system mirrors the EU ETS and works as follows:
 - CBAM is applied on the actual embedded emissions in the goods imported in the EU, 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 the entry into force of the definitive period of CBAM in 2026, EU importers will 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.
 - Conversely, if a non-EU producer has already paid a carbon price in a third country on the embedded emissions for the production of the imported goods, the corresponding cost can be fully deducted from the CBAM obligation.
- The CBAM will therefore help reduce the risk of carbon leakage while encouraging both, producers in non-EU countries to green their production processes as well as countries to introduce carbon pricing measures.
- To provide businesses and other countries with legal certainty and stability, the CBAM is being phased in gradually and initially applies only to a selected number of goods in sectors at high risk of carbon leakage: iron/steel, cement, fertilisers, aluminium, hydrogen and electricity. In the transitional period, which started on 1 October 2023, a reporting system applies for those goods with the objective of facilitating a smooth roll-out and to facilitate dialogue with third countries. Importers will start paying the CBAM financial adjustment in 2026.

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 will progressively be 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.
- The CBAM will be 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. For example, and unlike the EU ETS, an unlimited number of certificates can be purchased. Nevertheless, the price of CBAM certificates will mirror the ETS allowance price.

- Once the full CBAM regime becomes operational in 2026, the system will adjust 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 will only begin to apply to the products covered, and in direct proportion to the reduction of free allowances allocated under the ETS for those sectors. Put simply, until 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.

5. How is the CBAM compatible with other ETS systems outside the EU?

- The CBAM will ensure that imported goods will get “no less favourable treatment” than EU products, thanks in particular to three CBAM design features:
 - the CBAM takes into consideration “actual values” of embedded emissions, meaning that decarbonising efforts of companies exporting to the EU will lead to a lower CBAM payment;
 - 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
 - the effective carbon prices paid outside the EU will be deducted from the adjustment to avoid a double price.
- This carbon price paid in a third country could for example be due to an established emissions trading system. The Commission will, before the end of the transitional period, adopt secondary legislation to design the rules and processes to take into account the effective carbon price paid abroad. During the transitional period, reporting declarants need to report the carbon price due in a country of origin for the embedded emissions in the imported goods, taking into account any rebate or other form of compensation available.

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

- The CBAM initially 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 industry sectors covered by the ETS. In the future, the CBAM may be extended to other ETS sectors.

7. To which goods does the CBAM Regulation apply?

- The [CBAM Regulation](#) applies to CN codes (Combined Nomenclature), which adds two digits to the HS code and is used as a commodity code for exports outside the EU.
- All goods for which the embedded emissions must be reported are listed in Annex I to the [CBAM Regulation](#). These are called 'CBAM goods'.
- Sectors such as 'iron and steel' are mentioned only for informational purposes. For example, this means that imports of ammonia (CN code 2814 10 00 or 2814 20 00 under the fertilizer sector) are covered by the CBAM Regulation even if the ammonia is not used to produce fertilisers.

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

- The [CBAM Regulation](#) applies to all goods that are *imported* into the EU, namely released for free circulation in the EU single market.

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

- Returned goods are goods defined in Article 203 of the Union Customs Code (Regulation (EU) No 952/2013). They are goods that are released for free circulation and benefit from duty exemption because they were Union goods before, either because they have originally been exported as Union goods or because they were previously released for free circulation, and because they fulfil certain conditions (e.g. they are released for free circulation within three years after they were previously exported). The conditions under which those goods qualify as returned goods are laid down in the customs legislation, and competent customs authorities assess whether these conditions are fulfilled when the goods are declared for release for free circulation in the EU.
- During the transitional period, CBAM reporting obligations do not apply to returned goods. As a result, the embedded emissions of these goods do not need to be included in the quarterly CBAM report.
- During the definitive period, reporting declarants will have to report returned goods - of a non-EU customs origin² - in their annual CBAM declaration, however they must input 'zero' for the total embedded emissions corresponding to those goods.

10. How will the CBAM tackle carbon leakage of finished or semi-finished products?

- The CBAM applies mostly to basic materials and basic material goods, but also to some finished/downstream products, such as fasteners (CN code 7318 XX XX).

² The customs status refers to the status of goods as Union or non-Union goods, according to Art. 5(22) of the Union Customs Code (Regulation EU 952/2013). The customs status is independent from and does not affect the origin of the goods.

- The [CBAM Regulation](#) will be reviewed at the end of the transitional period to assess, based on selected criteria, if additional goods and sectors within the ETS could be added.

11. Does the CBAM apply to packaging?

- The CBAM reporting 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.

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

- 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\)](#). 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.

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

- In principle, imports of goods from all non-EU countries are covered by the CBAM. However, certain third countries who participate in the EU ETS or have an emission trading system linked to it are excluded from the CBAM, so that a carbon price is not paid twice for the same product. This is the case for members of the European Economic Area (EEA) and Switzerland.
- The CBAM applies to electricity generated in and imported from third countries including those that wish to integrate their electricity markets with the EU. If those electricity markets are fully integrated and provided that certain strict obligations and commitments are implemented, the concerned countries could be exempted from the CBAM. If that is the case, the EU will review any exemptions in 2030, at which point those partners should have put in place the decarbonisation measures they have committed to, and an emissions trading system equivalent to the EU's.

14. Do I need to report the import of CBAM goods originating from the UK?

- Embedded emissions from goods originating from the UK will need to be reported during the transitional period.

15. What happens during the transitional period?

- During the transitional period, which started on 1 October 2023 and finishes at the end of 2025, the reporting declarant (which could be the importer or the indirect customs representative) must report at the end of each quarter emissions embedded in CBAM goods imported quarterly, without paying a financial adjustment, giving time for the final system to be put in place.

- Reporting declarants should get in touch with the national competent authority in the country where they are established to gain access to the CBAM Transitional Registry, which will be used to submit CBAM quarterly reports.
- The first CBAM quarterly report was due by 31 January 2024 and it covers the reporting period 1 October 2023 – 31 December 2023.

16. Are there penalties for non-compliance with the CBAM Regulation?

- Yes. Reporting of embedded emissions in CBAM goods from 1 October 2023 is compulsory. Reporting declarants may face penalties ranging between EUR 10 and EUR 50 per tonne of unreported emissions.
- In the case of missing, incorrect, or incomplete CBAM reports, the National Competent Authority (NCA) may initiate a correction procedure, granting reporting declarants the possibility to rectify potential errors.
- The NCA shall apply penalties apply where a) the reporting declarant has not taken the necessary steps to comply with the obligation to submit a CBAM report, or b) where the CBAM report is incorrect or incomplete, and the reporting declarant has not taken the necessary steps to correct the CBAM report after the competent authority initiated the correction procedure.

17. Where can I find detailed information on how to carry out the reporting of embedded emissions?

- All the required information to carry out the reporting is set out in the [Implementing Regulation \(EU\) 2023/1773 setting out reporting rules for the transitional period](#). Commission services published (and will periodically update) two guidance documents (one for importers of CBAM goods and one for third-country producers) as well as one optional communication template to facilitate the exchange of information between producers and importers. You may find these documents on the CBAM webpage: https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en.
- The guidance document for EU importers will be made available in the 24 official EU languages. The Guidance document for non-EU producers will be made available in English, French, German, Polish, Spanish, Italian, Arabic, Hindi, Korean, Mandarin, Turkish, and Ukrainian.
- The CBAM website also contains webinars, e-learning, and other materials.

18. Is it mandatory to use the communication template Excel file?

- No, the use of the communication template is not compulsory but recommended.
- The communication template is a tool that allows operators to determine the embedded emissions in CBAM goods according to the methodology specified in [Implementing Regulation \(EU\) 2023/1773](#). 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 template contains a worksheet ‘Summary_Communication’ that contains all information needed by the reporting declarant. This worksheet thus facilitates the communication between third-country producers and importers (or their representatives).

19. Who is liable in cases where incorrect or insufficient information is submitted?

- Liability lies with the reporting declarant. This may be either the importer or the indirect customs representative. The national competent authority is responsible for engaging in the appropriate dialogue with the reporting declarant and may impose penalties.

20. I am an importer based in Switzerland, or in the EEA (Norway, Iceland, Liechtenstein). How can I access the CBAM Transitional Registry?

- No CBAM reporting obligation applies to CBAM goods imported into Switzerland or the EEA. Importers based in these countries cannot gain access to the CBAM Transitional Registry.
- However, CBAM goods imported into the EU Customs Union fall under the scope of the CBAM Regulation and must be reported on by a reporting declarant. If an importer of CBAM goods into the EU is based in Switzerland or in the EEA, the reporting declarant for CBAM purposes must be an indirect customs representative hired by the importer. The reporting declarant will be the one receiving access credentials to the Transitional CBAM Registry.

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

- The relevant national competent authorities and ultimately the Commission remain at your disposal to address any doubts you may have on the CBAM implementation.
- The list of national competent authorities is published and continuously updated on the dedicated CBAM webpage of the Commission: [Carbon Border Adjustment Mechanism \(europa.eu\)](https://ec.europa.eu/economy_finance/cbam).

Reporting: general issues

22. Who is responsible for the reporting?

- Customs authorities will inform customs declarants of their obligation to report information during the transitional period. The reporting declarant will either be the importer or the indirect customs representative depending on who lodges the customs declaration. Customs authorities are free to choose in what form they inform reporting declarants of their reporting obligations.
- The person responsible for the reporting obligation can be one of the following:
 1. the importer when (i) the importer lodges a customs declaration for release for free circulation of goods in its own name and on its own behalf; and when (ii) the importer

- is also the declarant holding an authorisation to lodge a customs declaration and declares the importation of goods;
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 the reporting obligations in accordance with Article 32 of Regulation 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).

23. 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 will show their own EORI number at the customs, which is the evidence of who is responsible for the CBAM reporting obligation. Therefore, there can be no double-counting of embedded emissions.
- An indirect customs representative can also carry out the CBAM reporting obligation and act as reporting declarant for multiple importers. In such case, the indirect customs representative must still submit one single quarterly CBAM report containing all the CBAM goods for which he has carried out the customs declaration. He cannot submit several quarterly CBAM reports for a single reporting period.

24. Will companies be allowed to report 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 a CBAM reporting declarant through the EORI number provided to the customs authorities. This means that by default, the CBAM reports 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 reporting declarants and submit CBAM reports must also carry out the customs obligations related to the goods covered by the CBAM report.

- Further, it would also be possible for one group entity to submit CBAM reports 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 reporting declarants for the goods they imported and would therefore remain legally liable for the CBAM report, and (ii) the group entity acting as service provider would need to submit a separate CBAM report for the goods imported by each group entity, including for the goods it has imported itself.

25. What are the reporting obligations? By when do I need to submit a report?

During the transitional period of the CBAM, from 1 October 2023 until 31 December 2025, the importer shall submit a CBAM report on a quarterly basis. This report shall include the information on the goods imported during the previous quarter and should not be submitted later than one month after the end of that quarter. The reporting calendar during the transitional period is outlined below:

REPORTING PERIOD	SUBMISSION DUE BY
2023: October – December	2024: January 31
2024: January – March	2024: April 30
2024: April – June	2024: July 31
2024: July – September	2024: October 31
2024: October – December	2025: January 31
2025: January – March	2025: April 30
2025: April – June	2025: July 31
2025: July – September	2025: October 31
2025: October – December	2026: January 31

The report shall include the information referred to in Article 35 of the Regulation:

- the total quantity of each type of CBAM good;
- the actual total embedded emissions;
- the total indirect emissions;
- the carbon price due in a country of origin for the embedded emissions in the imported goods (including its relevant precursors where applicable), taking into account any rebate or other form of compensation available.

26. I was unable to submit the first CBAM report within the submission deadline due to technical errors. What should I do?

- If a reporting declarant is unable to submit a CBAM report within the submission deadline due to technical errors, delayed submission can be requested via the CBAM Transitional Registry.

- The option to "request delayed submission (technical error)" will be available in the CBAM Transitional Period from 1st February 2024. After the request is made, reporting declarants will have 30 days to submit their CBAM report.
- Without prejudice to the "request delayed submission", in line with the Implementing Regulation 2023/1773, reporting declarants may subsequently modify and correct their first three CBAM reports until 31 July 2024.
- In accordance with the guidance provided to National Competent Authorities (NCAs), no penalties will be imposed on reporting declarants who have experienced difficulties in submitting their first CBAM report.

27. I import very small quantities of CBAM goods. Do these products fall within the scope of the CBAM Regulation?

- Small quantities of imported goods falling in the scope of the CBAM may be automatically treated as exempt from the CBAM Regulation provided that the *de minimis* exemption applies. In such case, there is no reporting obligation.
- The *de minimis* exemption applies to consignments in which the total intrinsic value of the CBAM goods does not exceed EUR 150. Therefore, the overall value of the total CBAM goods in one consignment has to be considered, and if that value is above EUR 150, then the *de minimis* exemption does not apply. To illustrate, consider the following two cases:
 - Case 1: In my consignment, I have X non-CBAM goods, each of a nominal value of Y EUR. They are not relevant for the application of the *de minimis* exemption. I also have one transport container of Portland cement identified by its CN code (2523 21 00) for which the value does not exceed 150. The *de minimis* exemption applies.
 - Case 2: In my consignment, I have X non-CBAM goods, each of a nominal value of Y EUR. They are not relevant for the application of the *de minimis* exemption. I also carry one tonne of white Portland cement (CN code 2523 21 00) and one tonne of other Portland cement (CN code 2523 29 00). The value of each CBAM good is EUR 120. The total value of the CBAM goods in my consignment is above EUR 150 and therefore the *de minimis* exemption does not apply.

28. I am a natural person and have purchased a CBAM good online for my personal use. I later realised that the good was imported into the EU. Do I need to comply with the CBAM reporting obligations?

- The CBAM mostly applies to basic materials and basic material goods such as steel or cement, and only to a limited number of finished products. If the total intrinsic value of the CBAM goods in the consignment does not exceed EUR 150, the *de minimis* exemption applies.
- Secondly, individuals usually purchase goods from a seller established in the EU, who will import the good through a courier. The courier would lodge the customs declaration in the name of the seller, who is considered the 'reporting declarant' for CBAM purposes. In

such case, individuals will not appear anywhere in the customs declaration and the CBAM Regulation does not apply to them.

29. I have not imported CBAM goods during a given reporting quarter. Must I submit a CBAM report?

- If you have not imported (meaning released for free circulation) any CBAM goods during a given quarter, then you should not submit any CBAM report for this given quarter.

30. Is it mandatory to report the associated operators/installations of the CBAM goods declared?

- As a general rule, it is mandatory for reporting declarants to report information on the operators/installations where the CBAM goods were produced.
- By derogation from this rule, reporting declarants may decide not to provide this information for imports occurring until 30 June 2024 if the embedded emissions were determined using other methods pursuant to Art. 4(3) of Implementing Regulation (EU) 2023/1773, including default values made available and published by the Commission.
- It is not mandatory to add the operators/installations to the installation/operator registry available within the CBAM Transitional Registry. This is an optional functionality designed to ease the burden in the case of multiple reporting. Therefore, data on operators/installations can be filled in directly in the CBAM report without being previously recorded in the installation/operator registry.

Reporting: responsibilities and procedures

31. What is the role of the European Commission during the transitional period?

The Commission will have the following tasks during the transitional period:

- Manage the CBAM Transitional Registry.
- Review CBAM reports communicated by reporting declarants, and communicate to the national competent authorities a list of reports for which it has reasons to believe they are not compliant with the CBAM rules.
- Monitor the implementation of CBAM, progress, and risks of circumvention, as well as analyse the impact of CBAM on exports, downstream products, trade flows and least developed countries (LDCs).
- Prepare secondary legislation in the form of implementing acts:
 - In mid-2023 on the transitional period (art. 35), reporting obligations and reporting infrastructure.
 - In mid-2024 on the authorisation of declarants (art. 5 and 17), and the CBAM registry (art. 14).

- In mid-2025 implementing acts on indirect emissions (annex IV), verification (art. 8), accreditation of verifiers (art. 18) carbon price paid (art. 9), information for customs (art. 25), continental shell (art. 2), average ETS price (art. 21), CBAM declaration (art. 6), methodology (art. 7) and free allocations (art. 31).
- Prepare secondary legislation in the form of delegated acts during mid-2025 for the accreditation of verifiers (art. 18) and the selling and repurchasing of certificates (art. 20). If necessary, the Commission will also prepare delegated acts on exempted countries, rules on electricity and anti-circumvention.
- Set up the Common Central Platform where the sale, repurchase of certificates will take place in the definitive period.

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

- Each Member State has designated a national competent authority (NCA), which will carry out the functions and duties as defined in Regulation (EU) 2023/956. In short, NCAs are responsible for checking the quality of the CBAM quarterly report (with support from the Commission) and engage, where needed, in a dialogue with reporting declarants. NCAs ultimately ensure compliance with CBAM rules and they may impose penalties. Finally, from 2025 onwards, for the definitive period, NCAs will grant the status of ‘authorised CBAM declarant’.
- The list of national competent authorities is published and continuously updated on the dedicated CBAM webpage of the Commission: [Carbon Border Adjustment Mechanism \(europa.eu\)](https://europa.eu). The competent NCA is the NCA of the Member State of establishment of the reporting declarant.

33. Do importers of CBAM goods need to be ‘authorised’ in order to import CBAM goods during the transitional period?

- Importers of CBAM goods do not need to be authorised during the transitional period in order to import these goods into the EU. Customs will inform importers of CBAM goods of their reporting obligations at the moment of import.

34. Are there verification obligations during the transitional period?

- No, verification by an external independent body will only be mandatory from 2026. Secondary legislation for the definitive period will follow in the coming years which will define the rules for verification of emissions based on the data collected during the transitional period from EU importers.

35. Which embedded emissions need to be reported by each CBAM sector?

- The following table provides an overview of the specific emissions and greenhouse gases covered and how direct and indirect emissions are determined for each sector falling under the CBAM scope. Each sector’s particularities have been taken into account when

designing the methods for reporting and calculating embedded emissions in these goods while mirroring the EU Emissions Trading System:

Issue	CBAM good					
	Cement	Fertilisers	Iron/Steel	Aluminium	Hydrogen	Electricity
Reporting metrics	(per) Tonne of good					(per) MWh
Greenhouse gases covered	Only CO ₂	CO ₂ (plus nitrous oxide for some fertiliser goods)	Only CO ₂	CO ₂ (plus perfluorocarbons (PFCs) for some aluminium goods)	Only CO ₂	Only CO ₂
Emission coverage during transitional period	Direct and indirect					Only direct
Emission coverage during definitive period	Direct and indirect		Only direct, subject to review			Only direct
Determination of direct embedded emissions	Based on actual emissions, but estimations (including default values) can be used for up to 100% of the specific direct embedded emissions for imports until 30 June 2024 (i.e. CBAM reports due until 31 July 2024) and for up to 20% of the total specific embedded emissions for imports until 31 December 2025					Based on default values, unless several cumulative conditions are met
Determination of indirect embedded emissions	Based on actual electricity consumption and default emission factors for electricity, unless conditions are met (i.e. direct technical connection or power purchase agreement). Estimations (including default values) can be used for up to 100% of the specific indirect embedded emissions for imports until 30 June 2024					Not applicable

36. What information should reporting declarants request from producers in third countries to ensure they can submit the quarterly CBAM report?

- The CBAM declarant must submit in the CBAM report the information contained in [Annex I](#) to the [Implementing Regulation](#).

- In order to ensure that they possesses all the required information, the reporting declarant should request from the producer the information contained in Annex IV of the aforementioned [Implementing Regulation](#). The Commission services have compiled this information into an optional communication template (in Excel format) to facilitate the communication of information to between operators and importers. This template is available on the Commission [webpage](#).

37. What documents in original shall be provided in the quarterly CBAM report?

- No document in original needs to be provided. The reporting declarant must only submit the required information for the quarterly CBAM report through the CBAM Transitional Registry.
- According to the principle of transparency outlined in Annex III section A.2 of the [Implementing Regulation](#), complete and transparent records shall be kept at the installation of all data relevant for determining embedded emissions of the goods produced, including necessary supporting documents, for at least 4 years after the reporting period. Those records may be disclosed to the reporting declarant. Such records may be requested by EU Member States in case of a review of the quarterly CBAM report.

38. I am both an importer and an indirect customs representative filing CBAM reports for another importer. Do I file a single CBAM report or two separate CBAM reports?

- A reporting declarant can act both as importer (company A, importing steel) and as indirect customs representative (for company B, importing aluminium). In such case, the reporting declarant must still submit one single quarterly CBAM report containing all the CBAM good for which he has carried out the customs declaration.

39. What is the effective 'carbon price' due that I need to report on?

- As indicated in the [CBAM Regulation](#), a carbon price is the monetary amount paid in a third country, under a carbon emissions reduction scheme, which can adopt various forms such as a tax, levy, fee or emission allowances under a greenhouse gas emissions tradig system, calculated on greenhouse gases covered by such a measure, and released during the production of goods.
- During the transitional period, reporting declarants must report the effective carbon price due in the jurisdiction where the CBAM good was produced. During the definitive period, the disclosure of this information will give importers a rebate, to avoid double pricing of embedded emissions.

40. Who will check the accuracy of submitted data and reports?

- During the transitional period, and in line with Articles 11 of the [Implementing Regulation](#), the Commission will conduct a first screening of the CBAM reports, and communicate to

the competent national authority a list of incomplete or suspicious reports (i.e. when the Commission has reasons to believe they have failed to comply with the CBAM Regulation). It is then up to the competent national authority to decide whether to initiate a review as well as a potential correction procedure, which may ultimately lead to penalties.

41. Is it possible to correct a CBAM report that has already been submitted?

- Article 9 of the [Implementing Regulation](#) provides that a CBAM report that has already been submitted may still be corrected until two months after the end of the reporting quarter.
- For the first two quarterly reports, the [Implementing Regulation](#) allows for a longer period for corrections up until the deadline for submitting the third quarterly report. This means that the reports due by 31 January and 30 April may be subsequently corrected until 31 July 2024.

42. Should the report be in English only or is it possible to report in other languages?

- Reporting is possible in all 24 EU languages.

Reporting: CBAM Transitional Registry

43. What is the CBAM Transitional Registry?

- In order to ensure an efficient implementation of reporting obligations, the Commission has developed an electronic database, which will collect the information reported during the transitional period. The CBAM Transitional Registry is a standardised and secured electronic database containing common data elements for reporting in the transitional period, and to provide for access, case handling and confidentiality. The CBAM Transitional Registry is the basis for the development and establishment of the CBAM Registry pursuant to Article 14 of Regulation (EU) 2023/956.
- Importers may connect to the CBAM Transitional Registry through this link: <https://customs.ec.europa.eu/taxud/uumds/cas>

44. What will the CBAM Transitional Registry be used for?

- The CBAM Transitional Registry shall enable communication between the Commission, the competent authorities, customs authorities of the Member States and reporting declarants.
- The CBAM Transitional Registry will not be used for enforcement, as the information collected will solely serve to feed onto the data analysis and collection during the transitional period.

45. Is the CBAM Transitional Registry the same as the EU Customs trader portal?

- The CBAM Transitional Registry for reporting declarants runs independently of the EU Customs Trader Portal (EUCTP). However existing importers that will be also acting as CBAM Declarants may be able to use their existing user account if the EU Member State allows it. Depending on the Member State, specific access to the CBAM module may need to be requested.

46. Will the data shared in the CBAM Transitional Registry be dealt with confidentiality?

- According to Article 14 of the [CBAM Regulation](#), the information contained in the CBAM registry “shall be confidential, with the exception of the names, addresses and contact information of the operators and the location of installations in third countries”. Article 13 of the [CBAM Regulation](#) and Article 15 of the [Implementing Regulation](#) laying down reporting obligations for the transitional period include an obligation of professional secrecy to information acquired by the competent national authority.
- Some of the requested information is necessary to substantiate the reported level of emissions, particularly in the absence of verification by external and independent verifiers. However, it is also important to keep in mind that a lot of the data which may be requested by the importer and considered sensitive is optional. For example, Annex IV of the [Implementing Regulation](#) contains information on the “recommended communication from operators of installations to reporting declarants” but only the information contained in Annex I needs to be provided. The CBAM Transitional Registry specifies which are the mandatory and optional entries.
- In the optional Excel template which operators and importers may use to exchange information during the transitional period, operators of installations have the possibility to decide whether they want to share the full, detailed information (optional) or only the synthesis tabs necessary to submit the CBAM declaration. There is a degree of flexibility allowing operators not to disclose the data they may consider sensitive. On the basis of this experience, the Commission will also reflect on the information that has to be disclosed in the reports and by the external verifiers in the definitive regime.
- The Commission is considering, for the definitive period, options for providing separate access to the Registry to producers for them to submit information directly through the Registry, without a possibility for reporting declarants to see the specific information.

47. How can I register as a declarant and access the CBAM Transitional Registry?

- When they intend to become reporting declarant for CBAM purposes, economic operators must contact the national competent authority (NCA) of the Member State where they are established. The provisional list of NCAs is published and continuously

updated on the dedicated CBAM webpage of the Commission: [Carbon Border Adjustment Mechanism \(europa.eu\)](https://ec.europa.eu/cbam/).

- In each Member State, the NCA is also responsible for providing reporting declarants with access to the CBAM Transitional Registry. In some cases, a new CBAM specific account with new login credentials will be required. In other cases, existing accounts for accessing custom systems may be used. In the case of Spain, for instance, access to the CBAM Transitional Registry is granted exclusively via the customs domain. Please contact your NCA for further details on the login credentials in your case.

48. What CBAM Transitional Registry environments are available?

- There is a *production* and a *conformance* CBAM registry environment available for CBAM reporting declarants.
- The conformance environment can be used as test environment for familiarisation with the CBAM quarterly report form and the user interface of the CBAM Registry.
- A separate registration is required (same email may be used) in each environment for security reasons. For both environments, it is the respective NCA that provides reporting declarants with the access details.
- Link to the *production* CBAM Transitional Registry: <https://cbam.ec.europa.eu/declarant>
- Link to the *conformance* CBAM Transitional Registry: <https://conformance.cbam.ec.europa.eu/declarant>

49. In a company which is a reporting declarant, who can request access to the Transitional Registry?

- Any physical person that can prove he/she represents the legal person can contact the National Competent Authority (NCA) of the Member State where that legal person is established to request access to the CBAM Registry as CBAM reporting declarant. The NCA is responsible for verifying the legitimacy of the requests and grant CBAM Declarant access permissions. The owner of the account that will be granted CBAM Declarant access by the NCA is responsible to keep the account confidential and delegate the access to additional accounts (employees) of the company.

50. Who can fill in the CBAM report in the CBAM Transitional Registry for the reporting declarant?

- Multiple Transitional Registry user accounts can be linked to the same EORI number as long as these accounts are from employees of the responsible reporting declarant (i.e. the importer or indirect customs representative). However only one user will be able to edit a particular CBAM quarterly report in the CBAM Transitional Registry at a given time.
- The reporting declarant can delegate access to the Transitional Registry to a service provider, who can fill in the CBAM report in the name and on behalf of the reporting declarant. The delegation in such cases follows the delegation model “Employer - Employee”, where “Employer” is either the importer or an indirect customs

representative and “Employee” is the service provider. Note that in this case both the importer-employer (EO) and the provider-employee (EMPL) users will need to be configured by the Member States in UUM&DS and the importer will be responsible to delegate (via UUM&DS) the CBAM Declarant access to the Service Provider (when the Service Provider connects to the CBAM Registry as employee he is using the EORI of the importer that has delegated the access).

51. Can companies that are not directly subject to the CBAM also have access to the CBAM Transitional Registry?

- No, the access to the CBAM Transitional Registry is limited to reporting declarants, competent authorities in the Member States, customs authorities and the European Commission.

52. How should I fill in the data in the CBAM Transitional Registry?

- The quarterly reports need to be filled-in per importer, per CN code and per installation. There are two ways to fill in the data in the CBAM Transitional Registry:
 - Reporting declarants can manually fill in the data directly within the interface in the CBAM Transitional Registry.
 - Alternatively, reporting declarants can use an XML structure to upload CBAM quarterly reports. Once an XML file is uploaded successfully, a new draft quarterly report will be created and can be submitted via the CBAM Registry user interface. A supporting XLS file, which can be used to fill in the quarterly report using XML, was published on the [Commission’s CBAM website](#).
- There are mandatory and optional fields. In the CBAM Transitional Registry, mandatory fields are marked with an asterisk (*). Mandatory fields will also be indicated in the supporting XLS file.
- Detailed information on how to fill in the report, and how to use the XSD file, can be found in the [CBAM Transitional Registry user manual for Declarants](#).
- A draft report can be saved even without all the mandatory elements provided. However, to submit the report all mandatory elements need to be provided.

Methodology for calculating embedded emissions in CBAM goods in the transitional period

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

- The default reporting period, i.e. the reference period for operators for determining embedded emissions, is a calendar year. However, it may be justified to use other periods (such as a fiscal year) provided that they ensure similar coverage and cover at least 3 months. More details can be found in the Guidance documents under Section 4.3.4 (for EU-importers)/ Section 4.3.3 (for non-EU installations).

- For the CBAM report due in the first quarter of the year, the data of the previous year should be used. In cases where such data are not yet available until the end of January/February, data of the year before could be used.

54. 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.

55. 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.
- During the transitional phase, for monitoring purposes, importers are required to report both direct and indirect emissions for all goods falling under the scope of CBAM. During the definite phase starting on 1 January 2026, the CBAM scope is limited to direct emissions for iron/steel, aluminium and hydrogen, while importers of cement and fertilisers will have to declare both direct and indirect emissions.

56. 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 system boundary may be defined within the installation (see further explanations in the guidance documents).

57. 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?

- Yes, relevant precursors produced in the EU also need to be accounted for in the determination of the embedded emissions.

- Note, however, that if a precursor stems from EU production, the carbon price already paid in the EU may also be reflected in the CBAM report. (Find more details on the report of the effective carbon price paid in the Guidance document for non-EU installations Section 6.10.).

58. Will the European Commission formally or informally verify the “equivalence” of alternative methods?

- The transitional period is a learning phase for everyone, including for Commission services and national competent authorities. If the alternative methods do not meet the standards included in Article 4(2) of the [Implementing Regulation](#), and especially for imports after 30 June 2024, then such calculation method may be rejected. The national competent authority would start a dialogue with the reporting declarant to obtain more accurate data.

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

- Indirect emissions are determined by multiplying the electricity consumed to produce a CBAM good with a relevant emission factor. The emission factor could be based on the electricity grid or represent an actual emission factor.

60. Which emission factors for electricity should be used to determine indirect emissions?

- For the transitional period, the default emission factors for electricity are based on data from the International Energy Agency (IEA) covering a 5-year average. They are provided per country by the Commission in the CBAM Transitional Registry.
- Alternatively, any other emission factor of the country of origin grid may be used if it is based on publicly available data. Both the emission factor for electricity or the CO₂ emission factor may be used.
- Actual emission factors for electricity may be used in the case of a direct technical link between the electricity-generating source and the installation producing the CBAM good or in the case of a power purchase agreement between the electricity producer and consumer.

61. Can market-based certificates (Guarantee of Origin, Renewable Energy Certificates, etc.) be used to justify the use of actual emission factors?

- During the transitional period, the general rule for the emission factor for electricity is to use default values which will be provided by the Commission. However, actual emission factors for electricity can be used if the relevant conditions are met (i.e., existence of a direct technical link or a power purchase agreement, as explained above).
- Market-based specific emission factors, determined for example by Guarantees of Origin or Green Certificates cannot be used to justify the use of actual emission factors.

- Further information can be found in Section D.2 of Annex III to the CBAM [Implementing Regulation and in the guidance document for non-EU installations, Section 6.7.3.2.](#)

62. 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.

63. Can carbon capture and use (CCU) / carbon capture and storage (CCS) be used to offset 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 III, Section B.8.2 to the [Implementing Regulation](#) (Section 6.5.6.2 of the guidance provides more explanations). 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.

64. My supplier is not sending me the necessary information before the report is due. What should I do?

- A good cooperation between third-country producers and reporting declarants is crucial. The Commission has published guidance and templates to help producers determine embedded emissions of the goods they produce.
- Ultimately, the reporting declarant is the one who bears the responsibility for ensuring the completeness and correctness of the CBAM reports. The reporting declarant is liable and may be subject to penalties in the case of non-respect of the CBAM reporting obligations.
- During part of the transitional period (until mid-2024), declarants may rely on default values, which are further elaborated on in the question "What are the default values? How does this work?".

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

- Until 30 June 2024 (i.e. CBAM reports due until 31 July 2024), for each import of goods for which the reporting declarant does not have all the information, the reporting declarant may use other methods for determining the emissions, including default values made available and published by the Commission (see the [TAXUD CBAM website](#)).
- The use of default values for the purpose of reporting during the transitional period is thus possible for the first three reporting periods, without quantitative limits.

- In addition, estimated values (including default values) can be used for the whole reporting period for input materials or subprocesses with a relatively minor contribution (i.e. <20%) to the total embedded emissions of complex goods.
- In other words, this means that for imports until 30 June 2024, 100% of the total embedded emissions may be determined using default values. For the remaining transitional period (i.e. for imports from 1 July 2024 to 31 December 2025), estimated values may be used but a quantitative limit is applied: for complex goods, up to 20% of the total embedded emissions, considering the entire production chain, may be then determined using estimations (using default values provided by the Commission would qualify as ‘estimation’).
- By the end of the transitional period in 2025, the Commission will assess the default values based on the data collected.
- During the transitional period, there will be only global default values (for each CN code under the CBAM scope). During the definitive period then, default values by country or even by region will be made available.

66. How do you determine default values?

- The EU’s Joint Research Centre (JRC) published on 29 September [estimations of GHG emission intensities for goods from four energy-intensive industries](#) – iron and steel, fertilisers, aluminium, and cement in the EU and in its main trading partners. This work provides scientific support to the implementation of the mechanism, as envisaged by the [CBAM Regulation](#).
- The JRC report provides the values, disaggregating between direct and indirect emissions. The GHG emission estimations include carbon dioxide, nitrous oxide (for some fertiliser goods) and perfluorocarbons (for aluminium goods) linked to the production of the goods listed in Annex I to the [CBAM Regulation](#). The estimated values of the GHG emission intensities (i.e. of the specific embedded emissions) served as an input to for the setting of the default values for the transitional period.

67. Until which point in time will EU importers be allowed to use alternative monitoring and reporting methods?

- In accordance with the [Implementing Regulation](#) for the transitional period, there are certain flexibilities: for imports until 31 December 2024 reporting declarants can use other methods that lead to similar coverage and accuracy using (a) a carbon pricing scheme, (b) a compulsory emission monitoring scheme or (c) an emission monitoring scheme at the installation (Article 4(2)).
- For imports until 30 June 2024 (i.e. CBAM reports due until 31 July 2024), any other reference method, including default values, can be used if the reporting declarant does not have all necessary information (see Article 4(3) of the [Implementing Regulation](#)). Accordingly, reporting declarants may decide, until that date, to bring forward additional

methods of their choosing. These methods will then be assessed by Commission services for the purpose of adjusting the CBAM reporting methodology for the definitive phase.

68. 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.
- Annex D of the guidance document for installation operators outside the EU provides further details.

69. How should decimal places and rounding be handled in calculations?

- All "significant" digits (in accordance with the metering uncertainty) should be kept throughout the complete calculation.

70. Should the gross weight or the net weight of the imported CBAM goods to be used for the calculation of the embedded emissions?

- Goods subject to CBAM that are imported into the customs territory of the Union are measured in net weight. Thus, also for the calculation of embedded emissions of CBAM goods, net weight should be used.

71. How to deal with stock items for which there is no emission data available?

- The embedded emissions of such stock items may, for imports until 30 June 2024, be estimated using the default values published by the European Commission.
- Subsequently, actual data will need to be reported. In the case of lacking data for old spare parts or stock items, data for similar or identical goods could be submitted for imports after 30 June 2024.

72. 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 a production process, unless they relate to any non-CBAM good.
- 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 relevant production processes, where shared equipment, shared 'source streams' or shared emission sources are relevant, inputs, outputs and emissions should be attributed to the different production processes with an appropriate

share. For example, if an installation produces purified water and 60% of that water is used to produce a CBAM good, then 60% of the direct and indirect emissions related to the water purification should be attributed to the production of the CBAM good.

73. 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 complies with the CN codes referring to the CBAM goods category of the production process (as listed in Annex II of [Implementing Regulation \(EU\) 2023/1773](#)).

Cement

74. 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

75. Are the exothermic chemical reactions involved in fertilizer 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.

76. 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.

Electricity as CBAM good

77. Who is the CBAM reporting declarant for electricity imports?

- In general, the importer is the person who is in the data element 'importer' in the customs declaration. By derogation from this, and in line with Article 5(4) of the [CBAM Regulation](#), where transmission capacity for the import of electricity is allocated through explicit capacity allocation, the person to whom capacity has been allocated for import and who nominates that capacity for import shall be regarded as the CBAM reporting declarant in the Member State where the person has declared the importation of electricity in the customs declaration.

78. What is the difference between the emission factor for electricity and the CO₂ emission factor?

- The emission factor for electricity represents the weighted average emission factor of all electricity-generating sources (including nuclear and renewable sources) in a geographic area (e.g. third country, group of third countries or region within a third country). By contrast, the CO₂ emission factor represents the weighted average emission factor of those electricity-generating sources that are based on the combustion of fossil fuels. This means that the CO₂ emission factor is always larger than the emission factor for electricity for the same geographic area,
- During the transitional period, the CO₂ emission factor for electricity is used for the default method to determine the specific direct embedded emissions for electricity as a CBAM good. By contrast, the emission factor for electricity is used for the default method to determine the specific indirect emissions for CBAM goods other than electricity.

79. Which CO₂ emission factors should be used?

- 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. For the transitional period, 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 provided by the Commission in the CBAM Transitional Registry.
- When there is no specific default value available, the CO₂ emission factor in the EU shall be used. It is also based on IEA data and provided via the CBAM Transitional Registry.
- When a reporting declarant submits sufficient evidence based on official and public information to demonstrate that the applicable CO₂ emission factor is lower than the values in accordance with the above points, the reporting declarant may determine the CO₂ emission factor based on the method defined in the [Implementing Regulation](#).

80. What are the requirements to report 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.

81. Is transit through non-EU countries considered for reporting on electricity in the CBAM?

- For electricity as a CBAM good, the relevant third country is the country of origin where the electricity has been produced. No emission factor for the transit country shall be considered in the CBAM report.

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

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

Hydrogen

83. What is the connection between hydrogen as a CBAM good and the Renewable Energy Directive (EU) 2018/2001 ('RED II')?

- The [Implementing Regulation](#) provides that "Where the produced hydrogen has been certified to comply with Commission Delegated Regulation (EU) 2023/1184(1), an emission factor of zero for the electricity may be used." (Annex II, Section 3.6). This means that a certification of hydrogen as being an "RFNBO" (renewable fuel of non-biological origin) under the Renewable Energy Directive can be used for demonstrating zero indirect emissions, no double certification is needed.
- In the absence of such certification, the indirect emissions need to be determined in line with Annex III of the [Implementing Regulation](#).

Iron and steel

84. 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 for each aggregated goods category can be found in Annex III to [Implementing Regulation \(EU\) 2023/1773](#).

- 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.
- The production of auxiliaries such as purified water and compressed air is included in the system boundaries.

85. 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'. They are considered a precursor ("sintered ore") in the production of pig iron or Direct Reduced Iron (DRI).

86. What should be filled in the field "steel mill identification number" in the CBAM report?

- The "steel mill identification number", also known as "heat number", in principle indicates the mill/furnace where the steel product came from. In case there are many different heat numbers, we suggest leaving a comment. However if there are only a few heat numbers, they can all be filled in the field.
- Note that, while we encourage you to provide this information, the "steel mill identification number" is an optional field.

Aluminium/Steel

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

- Specific embedded emissions are generally determined per aggregated goods category, unless different production routes are used in an installation. The aggregated goods categories may cover goods with different CN codes. Within the same CN code, the content of alloying elements or the share of input scrap may vary. Nevertheless, embedded emissions during the transitional period can be reported per aggregated goods category.
- Operators may voluntarily choose a more disaggregated determination of specific embedded emissions for certain goods or groups of goods.

Customs

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

- As regards the reporting requirements applicable during the transitional period, the [CBAM Regulation](#) (Article 5) foresees the possibility for importers of CBAM goods to appoint direct or indirect customs representatives within the meaning of Article 18 of the Union Customs Code (see to that effect Regulation No 952/2013):

- in the case of direct representation, the EU-established importer would be subject to the CBAM obligations while the direct customs representative keeps the status of customs declarant.
- if an EU-established importer appoints an indirect customs representative, and the latter so agrees, the reporting obligations shall apply to such indirect customs representative.
- where the importer is not established in a EU Member State, the reporting obligations shall apply to the indirect customs representative in any case.
- There is no possibility during the transitional period for an importer to have several indirect customs representatives for CBAM goods covered by the same customs declaration.
- For an importer established in an EU Member State, it would be possible to use a direct customs representative to carry out customs obligations, and to hire a service provider to enter CBAM reporting data in the CBAM Transitional Registry. For this purpose, the importer would delegate access to the Transitional Registry to this service provider, who would fill in the CBAM report in the name and on behalf of the importer. The delegation in such cases follows the delegation model “Employer - Employee”, where “Employer” is either the importer or an indirect customs representative and “Employee” is the service provider. Note that in this case both the importer-employer (EO) and the provider-employee (EMPL) users will need to be configured by the Member States in UUM&DS and the importer will be responsible to delegate (via UUM&DS) the CBAM Declarant access to the Service Provider (when the Service Provider connects to the CBAM Registry as employee he is using the EORI of the importer that has delegated the access). However, the importer would remain the reporting declarant and therefore legally liable for CBAM obligations.
- For an importer established outside the EU, the indirect customs representative will be responsible for both the customs declaration and the CBAM declaration.

89. What happens if an indirect customs representative does not agree to carry out CBAM reporting obligations?

- 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 indirect customs representative has to fulfil the CBAM reporting obligations.
- Art 8.3 of the [Implementing Regulation](#) provides that in cases where indirect customs representatives do not agree to carry out CBAM reporting obligations, they shall notify the importer of the obligation to carry out the reporting. Otherwise, the indirect customs representative remains liable for the CBAM reporting obligations.
- To facilitate CBAM implementation, the text in the box below is an indicative and non-binding template that indirect customs representatives may use as a basis to inform importers of their decision to not carry out the abovementioned reporting obligations for CBAM purposes.

Notification template

From indirect customs representatives to importers

From: *Name and address of the indirect customs representative*
To: *Name and address of the importer*
Date: *Date*

Dear Madam, Sir,

Following the adoption of Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a Carbon Border Adjustment Mechanism (CBAM), CBAM has started to apply with a transitional period as from 1 October 2023 until 31 December 2025. The rules applicable to CBAM reporting obligations during this transitional period are laid down by Commission Implementing Regulation (EU) 2023/1773 of 17 August 2023.

Pursuant to Articles 32 of the Regulation and 8(3) of the Commission Implementing Regulation, indirect customs representatives which do not agree with carrying out the CBAM reporting obligations shall notify importers of their obligation to comply with this Regulation. This notification shall include the information referred to in Article 33(1) of this Regulation.

I notify you my decision not to carry out the CBAM reporting obligations provided in Articles 33 and 35 of the CBAM Regulation. I inform you that it is your obligation, as an importer, to submit a report (“CBAM report”) containing information on the goods that you import into the EU during a given quarter of a calendar year, no later than one month after the end of that quarter. This report must be submitted to the CBAM Transitional Registry (<https://cbam.ec.europa.eu/declarant>).

I invite you to contact the National Competent Authority for CBAM purposes (NCA) of the Member State where you are established for further information on CBAM-related reporting obligations. You may also find relevant information on CBAM on the European Commission’s dedicated webpage (see: https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en).

Yours faithfully,

90. Can a direct customs representative be a CBAM reporting declarant for companies established in the territory of the EU?

- EU importers can indeed appoint direct or indirect customs representatives. However, as regards CBAM reporting (under the CBAM Regulation and the Implementing Regulation), the obligations lie either on the importer or on their indirect representatives where the latter so agree (please see Art. 32 of Regulation (EU) 2023/956 for the transitional period).
- Even in the case where the importer appoints a direct customs representative, that importer remains liable for CBAM reporting 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 their CBAM reports in practice, but the responsibility for complying with the CBAM reporting obligations, even in such cases, lies on the importers or, where the case may be, on the indirect representatives.

91. Will customs representatives have the obligation to check if their client is a CBAM-registered declarant prior to making a customs declaration on their behalf for CBAM goods?

- According to Article 15(2) on the [Union Customs Code \(UCC\)](#), the lodging of a customs declaration by a person to the customs authorities (importer or customs representative) shall render the person concerned responsible for (a) the accuracy and completeness of the information given in the declaration; (b) the authenticity, accuracy and validity of any document supporting the declaration; (c) where applicable, compliance with all of the obligations relating to the placing of the goods in question under the customs procedure concerned, or to the conduct of the authorised operations.
- This also applies to the provision of any information in any other form required by, or given to, the customs authorities.
- Based on the above, it is in the interest of the direct customs representative to check, prior to lodging a customs declaration for release for free circulation of CBAM goods, if the person on whose behalf the declaration is lodged fulfils the requirements of the CBAM Regulation.

92. My company is registered in one EU Member State but imports CBAM goods through multiple Member States. Should I compile all these imports into one single quarterly report?

- During the transitional period, the CBAM declarant is responsible for submitting quarterly CBAM reports containing information on embedded emissions of all imported CBAM goods. CBAM goods are attributed to a CBAM declarant through the EORI number provided to the customs authorities. In the given scenario, there is only one company with one EORI number involved. The quarterly CBAM report should therefore compile the

information on embedded emissions of all CBAM goods imported by this company, even if the goods were imported in different Member States.

- Please note that importers may decide to appoint an indirect customs representative who, if they agree to carry out the reporting obligation, will have to provide their own EORI number during the importation of CBAM goods, and to undertake the CBAM obligations in the stead of the importer for those goods imported by the indirect customs representative.

93. Are goods transiting in the EU to be reported on under CBAM?

- No. Only goods to be released for free circulation into the EU are subject to the CBAM, while goods transiting in the EU are not.

94. Will the CBAM reporting 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) [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”*).

95. Do I need to report on 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 suspensive regime in view of their future export or in view of their processing, there is no CBAM obligation.
- Note, however, that if a CBAM good leaves the inward processing regime to be placed on the EU market, then there is a CBAM obligation.
- A CBAM reporting obligation also arises in the specific case where a CBAM good that was placed under inward processing is processed into a product that itself is no longer a CBAM good, and this final good is finally released for free circulation in the EU (see Article 6 of the [Implementing Regulation](#)). In this specific case, the CBAM report would contain

information on the quantities and embedded emissions of CBAM goods placed under inward processing (Article 6(f) and (g) of the CBAM Regulation), but not on the quantities and embedded emissions of the final goods released for free circulation, because in the example, these goods are not CBAM goods themselves (i.e. Article 6(a) and (b) do not apply).

96. 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 (including reporting requirements), which still apply even in the case of a tariff suspension.

97. What happens if indirect customs representatives agree to act as reporting 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 reporting declarant and one for which they do not?

- Yes, this is correct. Indirect customs representatives, who agree to act as reporting 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 reporting declarants and one for the goods for which they do not.

Definitive period

98. How will the CBAM work in practice during the definitive period?

- The CBAM will mirror the ETS in the sense that the system is based on the purchase of certificates by importers. The price of the certificates will be calculated depending on the weekly average auction price of EU ETS allowances expressed in € per tonne of CO₂ equivalents emitted. Importers of goods will have to, either individually or through a representative, register to take part in the CBAM and buy CBAM certificates.
- The certificates surrendered by the CBAM declarant shall correspond to the amount of embedded emissions of the relevant goods expressed in tonnes of CO₂. In addition, there is a possibility to purchase certificates along the year.
- CBAM certificates will be sold by Member States through a common central platform to authorised CBAM declarants established in that Member State. Only *authorised* CBAM declarants are allowed to purchase certificates. These certificates shall be surrendered via the CBAM registry by 31 May each year being 2027 the first time, for the embedded emissions of imports that occurred in year 2026.

- The reporting for embedded emissions is expected to take place under similar conditions than during the transitional period, i.e. exclusively through an online portal, the CBAM registry.

99. What obligations will importers of CBAM goods have during the definitive period?

- During the definitive period, only authorised CBAM declarants may import goods into the Union (Article 4 of the [CBAM Regulation](#)). The authorised CBAM declarant is, according to Article 5 of the [CBAM Regulation](#), as below:
 - if the importer is not established in a Member State: the indirect customs representative;
 - if the importer is established in a Member State: the importer, or, subject to agreement, the indirect customs representative.
- It follows that if the importer is not established in a Member State and the indirect customs representative does not have the status of authorised CBAM declarant, the concerned CBAM goods cannot be imported in the Union.
- During the definitive period, authorised CBAM declarants will have the obligation to buy and surrender CBAM certificates corresponding to the total embedded emissions in the imported CBAM goods. Authorised CBAM declarants will also have the obligation to submit annual CBAM reports.

100. 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”.

101. How can the CBAM report be submitted during the definitive period?

- The CBAM report shall be submitted through the CBAM Registry by the authorised CBAM declarant. Note that for the definitive period, the ‘CBAM Transitional Registry’ will be replaced by the ‘CBAM Registry’.

102. How will I get access to the CBAM Registry in the definitive period?

- Once an importer’s application has been authorised by the competent authority, they will be considered an authorised CBAM declarant. Each CBAM declarant will be assigned a CBAM account number by the Commission, which will then allow access to the CBAM registry.

103. What will be the role of the European Commission during the definitive period?

- Like during the transitional period, the Commission will continue managing the CBAM Registry, reviewing CBAM reports communicated by reporting declarants and communicating any potential issues with the national competent authorities, 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.

104. Will the EU expand the scope of the CBAM?

- By the end of the transitional period of the CBAM (end 2025), the Commission will undertake a full review of the implementation of the CBAM. Using data collected during that period, the review will, amongst others, look carefully into the possibility of extending CBAM to other goods and sectors covered by the EU ETS at risk of carbon leakage (see Article 30(2) of the [CBAM Regulation](#)). An extension of the CBAM scope requires a legislative proposal from the Commission followed by an amendment of the CBAM Regulation to be adopted by the European Parliament and Council.

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

- The national competent authority 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](#)).

106. How can EU importers ensure that they receive the information they need from their non-EU exporters to be able to use the new system correctly?

- Non-EU producers should provide the information on embedded emissions for goods subject to CBAM to the EU-registered importers of their goods. In cases where this

information is not available at the time when the goods are being imported, EU importers will be able to use default values to determine the number of certificates they need to purchase. However, it will likely be more favourable for importers to provide the calculation of embedded emissions.

107. How will the reliability of the reported information 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. In addition, verifications will be carried out during the definitive period, and the report derived from them shall include information on the quantification of emissions and how these emissions are attributed to the different types of goods.
- During the definitive period, declared embedded emissions should be verified by a verifier, accredited in accordance with specific accreditation rules (to be defined by the Commission during the transitional period), who will prepare a verification report. In line with this, CBAM declarations will be accompanied by copies of emissions verification reports.
- Penalties will be imposed when a CBAM declarant introduces goods into the customs territory of the Union without complying with the obligations established in the Regulation.

108. How will the accreditation of verifiers work?

- The European Commission will work during the transitional period on secondary legislation that will establish the rules on accreditation and verification.
- Such legislation will encompass: firstly, two implementing acts, in accordance with Article 8 and 18 of the [CBAM Regulation](#), for the verification principles and the alignment of the verification scopes of the EU ETS and the CBAM, and, secondly, a delegated act in accordance with Article 18 of the [CBAM Regulation](#) that will specify the conditions for accreditation of verifiers. The indicative planning for these acts is by the end of 2024.

109. How will I be able to find accredited CBAM verifiers?

- The accreditation of CBAM verifiers will be the task of National Accreditation Bodies (NABs) in the EU Member States. This has not yet taken place, since relevant secondary legislation is yet to be adopted (see the answer above).

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

- Rules will be developed by the European Commission on that regard following the empowerment of Article 31 (2) of the [CBAM Regulation](#).

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

- An authorised CBAM declarant should be allowed to 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’ fairly broadly, 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 emission allowances 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.
- The Commission will prepare, before the end of the transition period in 2025, an implementing act setting out additional details for the calculation of the carbon price effectively paid in the country of origin (see Article 9(4) of the [CBAM Regulation](#)).