



December 2024

CBAM Updates

We are currently in the fifth quarter of the transitional phase of the Carbon Border Adjustment Mechanism (CBAM) and liable importers have already started to face challenges in the reporting process for imported goods that are subject to the measure, with more to come as of 2025. Namely, as of Q3 2024, importers may not rely only on default values to report the embedded emissions of imported CBAM goods (other than electricity), but they need to report actual embedded emissions. By 31 December 2024 (i.e. for the purposes of the CBAM report to be filed by 31 January 2025) importers have the option to calculate the emissions either according to the EU Method (EU Regulation 2023/956) or any other equivalent method. **And finally, as of 2025 and onwards, only the EU Method for calculation of embedded emissions will be permissible for the CBAM reporting.**

In parallel the European Commission has introduced two draft implementing regulations aimed at enhancing the operational framework of CBAM during the definitive period, that will start as of January 1, 2026. These draft regulations focus on the **authorised declarant** status and the establishment of an **exhaustive CBAM registry** and aim to illuminate the pivotal aspects of the final CBAM rollout.

Draft implementing Regulation for authorized declarants

- **Starting January 1, 2026:** All importers of goods within the CBAM scope must qualify as authorized CBAM declarants. Importers who do not obtain authorized CBAM declarant status will be prohibited from importing CBAM products into the EU.
- **Application and authorization criteria:** Importers must meet conditions demonstrating financial stability, a positive compliance history, and an adequate administrative structure to manage CBAM obligations. National CBAM authorities will regularly reassess authorized declarants to confirm adherence to CBAM rules.

Draft Implementing Regulation for establishing the CBAM Registry

- **Centralized, secure electronic system:** The proposed CBAM Registry will feature a centralized and secure electronic system designed to streamline CBAM reporting and verification processes. This system will integrate seamlessly with EU customs systems and utilize the Economic Operator Registration and Identification (EORI) system for verifying entities.

- **Enhanced surveillance and compliance:** The registry will be equipped with advanced risk analysis tools to monitor and detect potential circumvention effectively. Its digital infrastructure will enable efficient data exchange among national authorities, customs, and the Commission while adhering to personal data protection rules, ensuring robust compliance tracking.

Key Takeaways and Strategic Actions

- Businesses should make every possible effort to obtain information on the actual embedded emissions from their suppliers. Although EU Committee has provided a way to submit the CBAM report even in the case that no actual data are available, this report is still considered to be incorrect/incomplete.
- An incorrect CBAM report may have a negative impact on the authorized CBAM declarant status, which will be granted based on certain compliance criteria. Among others, the applicant shall demonstrate its operational capacity to fulfil its obligations under the CBAM Regulation, which in the case of an incorrect report does not apply.
- Importers need to streamline their internal processes to meet the criteria for obtaining and retaining the CBAM declarant authorization. This requires actions to make sure that appropriate processes to comply with CBAM compliance requirements are in place and that there are no CBAM compliance obligations that have not been fulfilled prior to their application.
- Businesses need to take action, in order to acquire the ‘authorized CBAM declarant’ status by December 31, 2025. Without such an authorization, they will be prohibited to import goods falling under the scope of CBAM as of 1 January 2026. CBAM declarants can submit their applications to obtain the authorized CBAM declarant status via the CBAM Registry.
- CBAM is progressing to its final implementation phase. Additional legal initiatives are expected from the EU Committee in the near future. Therefore, operators must stay informed about updates and engage with competent authorities to address any concerns about compliance.

Let's talk!

For a more in-depth discussion on the above, you may contact:



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