

Customs

Flash

December 2023

New Circular for the EU regulation establishing the Carbon Border Adjustment Mechanism (CBAM)

Circular E_2072/2023 notifies Regulation (EU) 2023/956 CBAM and provides an overview of the general framework for the implementation of the relevant measure. CBAM, which was activated on October 1st, 2023, is an environmental measure relating to the import of certain carbon-intensive goods, namely aluminium, iron and steel, electricity, hydrogen, fertilisers and cement, while the exact goods that are impacted by the measure are further specified by TARIC Codes, Combined Nomenclature or Harmonised System Codes.

Timeframe

CBAM will be implemented in two phases as follows;

During the **transitional period**, which commenced on October 1st, 2023, businesses will be required to submit a CBAM report on a quarterly basis. As of 2026, CBAM enters its **definitive period** of implementation, giving rise to financial obligations on imports, which will only be allowed for authorised persons (“authorised CBAM declarants”). In addition, quarterly CBAM reports will be replaced, and the authorised CBAM declarant shall surrender via the CBAM registry a number of CBAM certificates that corresponds to the embedded emissions declared for the quantity of goods for the preceding calendar year. The first CBAM declaration, in respect of the calendar year 2026, should be submitted by 31 May 2027.

What information has to be reported quarterly?

CBAM reports to be submitted during the transitional period will contain a detailed set of information including among others;

- Total quantity of CBAM goods
- Embedded emissions
- Indirect emissions (where required)
- Carbon price for embedded emissions in the country of origin

The first CBAM report should be submitted by the end of January 2024.

Who is obliged to submit the CBAM reports?

In principle the importer (“reporting declarant”), established in an EU Member State. However, if the reporting declarant appoints an indirect customs representative in accordance with Article 18 of Regulation (EU) No 952/2013, and where the indirect customs representative so agrees, the reporting obligations shall apply to such indirect customs representative.

In the case of importers that are established outside the EU, the CBAM reports should be submitted by their indirect customs representative.

CBAM exemptions Goods are excluded from the application of the CBAM;

- Goods imported in the customs territory which do not exceed EUR 150 per consignment
- Goods contained in the personal luggage of travellers coming from a third country and that do not exceed EUR 150
- Military imports
- Third countries and territories outside the scope of this Regulation (as specified in Annex III.1 of the Regulation)

If a third country has an electricity market which is integrated with the European Union internal market for electricity through market coupling, then the importation of electricity into the customs territory of the Union from that third country shall be exempt from the application of the CBAM under certain conditions.

Competent Authority

The Special Secretariat for Financial and Economic Crime Unit (SDOE) of the Ministry of Economy and Finance has been designated as the competent national authority for the compliance of economic operators with the obligations arising from the CBAM.

Let's talk

For a more in depth discussion on the above, please contact:



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This information is intended only as a general update for interested persons and should not be used as a basis for decision-making.

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