



# Informal Expert Group on the CBAM 1<sup>st</sup> Meeting

**23 April 2024**

***The meeting will begin once all participants have entered the room***

# Agenda

## Agenda:

- 1) Functioning of the group
- 2) Work activities for the year
- 3) Outcome of the first reporting period (Q4 2023)
- 4) Authorisation of CBAM declarants in the CBAM registry
- 5) AOB

## Functioning of the group

### **Group constituencies:**

- Organisations (industry associations + civil society);
- EU Member States;
- Observers: third countries and international organisations;

### **Housekeeping rules**

### **Adoption of the rules of procedure**

# The Carbon Border Adjustment Mechanism

## 2. Work activities for the year



## Secondary legislation

## Reports

## Legal Amendments

## Other

Q3  
2024

Q4  
2024

Q1  
2025

Q2  
2025

Q3  
2025

Q4  
2025

DA: conditions for sale and re-purchase of CBAM certificates

IA: conditions for authorization of CBAM declarants

IA: technical arrangements for the CBAM Registry

IA: customs procedures and communication for CBAM

IA: accreditation of verifiers and verification principles

DA: conditions for accreditation and verifiers

Report on possible extension to downstream goods

Technical amendments to CBAM Regulation

IA: calculation of emissions and CBAM declarations

IA: carbon price and price of certificates

IA: adjustment for free allocation

General report on the application of the CBAM regulation

Report on conditions to be exempted from CBAM for electricity

Policy amendments to CBAM Regulation

Evaluate and report on how NDCI financing contributed to the decarbonisation of the manufacturing industry in LDCs.

# Analytical workstreams and milestones planned for 2024 and beyond (1/2)



Potential CBAM scope extension to more downstream goods

Report to co-legislators  
*End 2024*



Potential CBAM scope extension to other goods and transportation of CBAM goods

Report to co-legislators  
*Mid 2025*



CBAM methodologies for calculating embedded emissions after transitional period

Implementing Act  
*Mid 2025*



Calculation of embedded emissions in imported electricity

Implementing Act  
*Mid 2025*



Indirect emissions

Report to co-legislators and Implementing Act  
*Mid 2025*

# Analytical workstreams and milestones planned for 2024 and beyond (2/2)



## Verification and Accreditation

Implementing Act on accreditation scope and verification principles

Delegated Act on accreditation process

*End 2024*



## Default values for the definitive CBAM period

*Mid 2025*



## Rules for free allocation adjustment

Implementing Act

*Mid 2025*



## Carbon price effectively paid in third countries

Implementing Act

*Mid 2025*

# Stakeholder consultation and CBAM Expert Group participation



Organising ad-hoc consultation on the progress of analytical work



On concrete elements in form of technical notes for feedback



Interaction by means of meetings and written comments



Depending on progress, CBAM Expert Group will be updated in future meetings



# The Carbon Border Adjustment Mechanism

## 3. Outcome of the first reporting period (Q4 2023)

# First CBAM reporting period in numbers – per MS

**As of 1 April:** over **15,300 CBAM reports** submitted via the Transitional Registry, with additional 3,100 in draft.

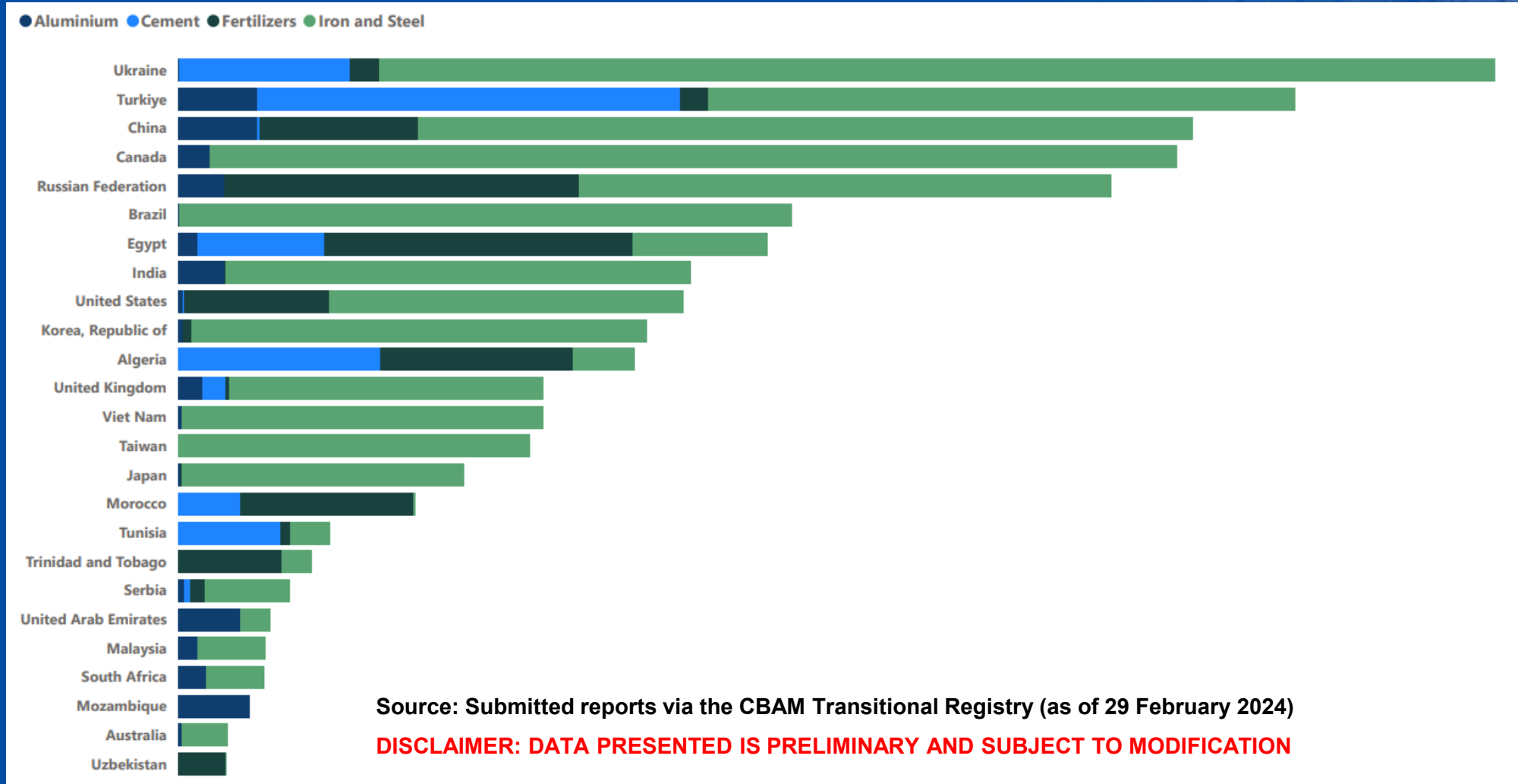
Total reports per State and NCA



\*The chart is sorted in descending order by the Submitted Reports

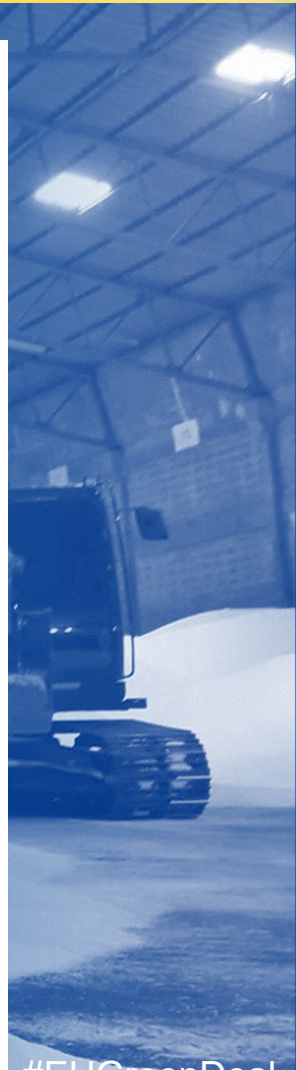
# First CBAM reporting period in numbers – Top 25 countries

by total quantity of CBAM goods declared



Source: Submitted reports via the CBAM Transitional Registry (as of 29 February 2024)

**DISCLAIMER: DATA PRESENTED IS PRELIMINARY AND SUBJECT TO MODIFICATION**



# The Carbon Border Adjustment Mechanism

## 4. Authorisation of CBAM declarants in the CBAM registry

# Legal basis – CBAM Regulation

## Article 5

Application  
for  
authorisation

## Article 14

Submit  
application in  
CBAM Registry

## Article 17

Granting  
authorisation

## Article 16

Accounts in  
the CBAM  
registry

# Criteria for the application

## Article 5

- Name, address and contact information;
- EORI number;
- Main economic activity carried out in the Union;
- Certification by the tax authority in the Member State where the applicant is established that the applicant is not subject to an outstanding recovery order for national tax debts;
- Declaration of honour that the applicant was not involved in any serious infringements or repeated infringements of customs legislation, taxation rules or market abuse rules during the five years preceding the year of the application, including that it has no record of serious criminal offences relating to its economic activity;
- Information necessary to demonstrate the applicant's financial and operational capacity to fulfil its obligations under this Regulation and, if decided by the competent authority on the basis of a risk assessment, supporting documents confirming that information, such as the profit and loss account and the balance sheet for up to the last three financial years for which the accounts were closed;
- Estimated monetary value and volume of imports of goods into the customs territory of the Union by type of goods, for the calendar year during which the application is submitted, and for the following calendar year;
- Names and contact information of the persons on behalf of whom the applicant is acting, if applicable

# Criteria to take a decision

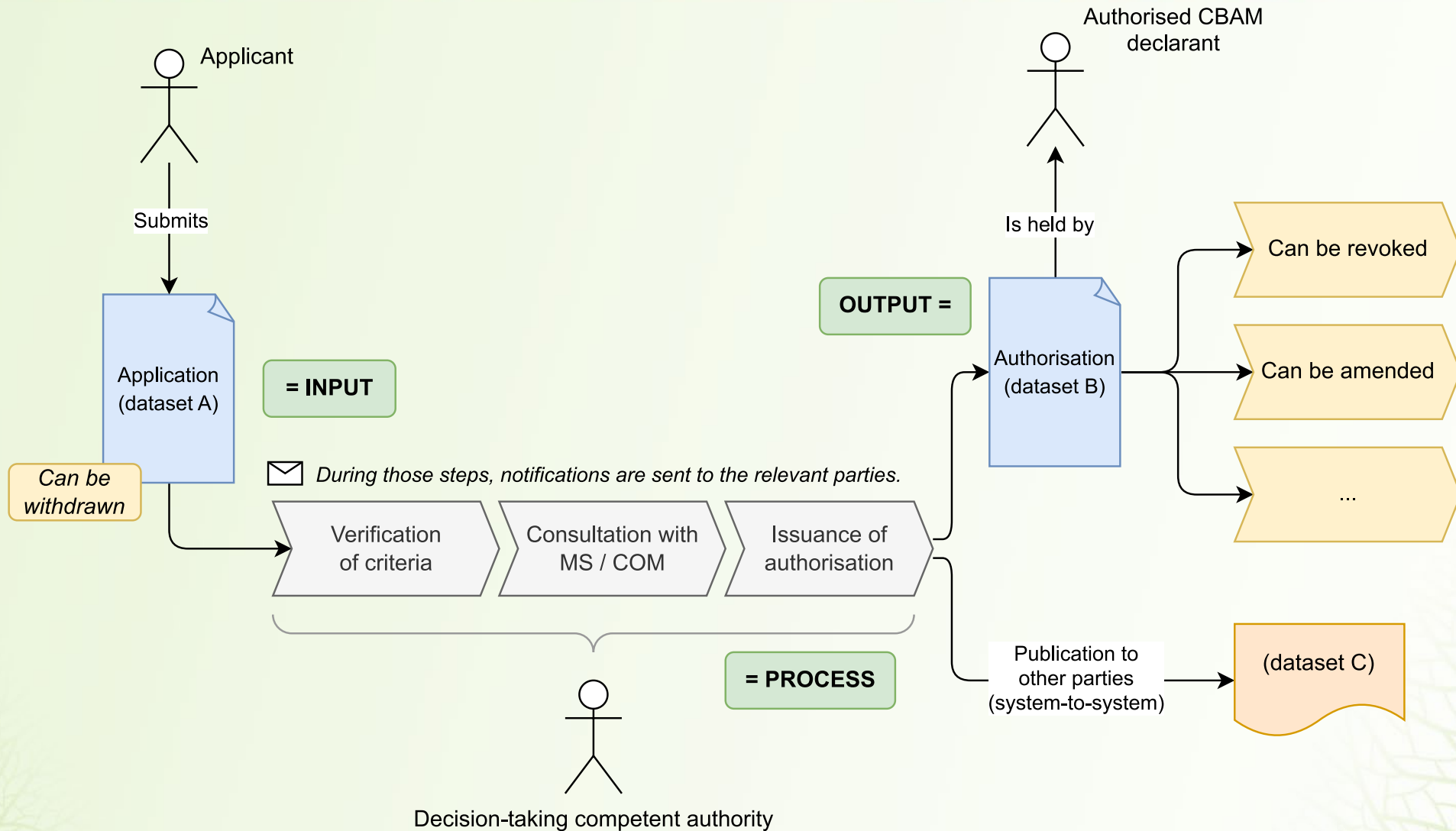
## Article 17

- The applicant is established in the Member State where the application is submitted
- The applicant has a valid EORI number for CBAM
- The applicant has not been involved in a serious infringement or in repeated infringements of customs legislation, taxation rules, market abuse rules or this CBAM Regulation, and in particular the applicant has no record of serious criminal offences relating to its economic activity during the five years preceding the application
- The applicant demonstrates its financial and operational capacity to fulfil its obligations under the CBAM Regulation
- Guarantee, if applicable

## In addition

- The applicant has no other valid CBAM authorisation
- The decision-taking competent authority confirms that no other reason could lead to an unfavourable decision
- Justification

# The simple overview of the lifecycle of an authorisation





# Important steps in the submission of application and withdrawal of application

- When the applicant applies, the applicant is notified about this application **reference number** and the decision-taking competent authority is given a timeframe to take a decision.
- Upon receipt of an application, the decision-taking competent authority is required to register the duration for the ensuing **consultation** process, which involves the competent authorities from other Member States as well as the Commission. .
- The applicant may **withdraw its application at any time**, provided that the decision-taking competent authority has not yet reached a decision (either positive or negative) concerning the issuance of the authorisation.
- The applicant is free to apply again for a CBAM authorisation – by submitting a new application.

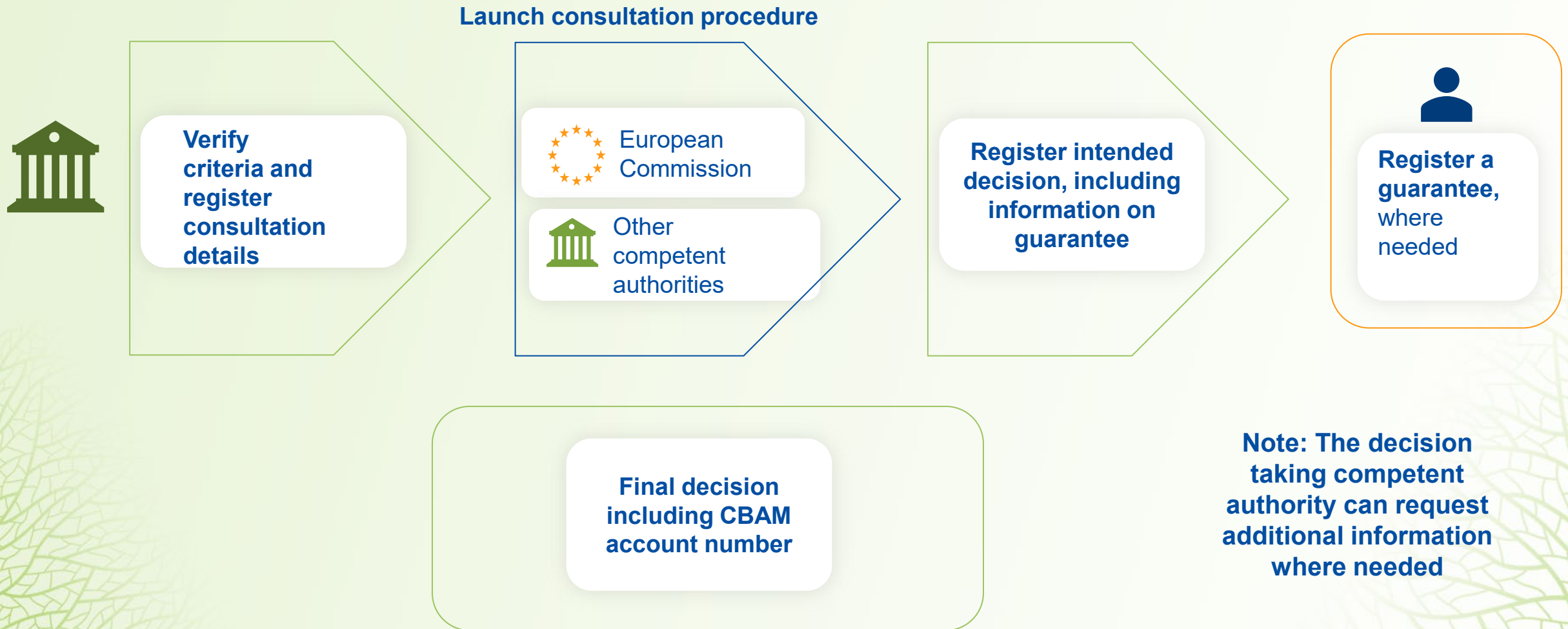
# Provide adjustments to the application and authorisation



## Important steps for the adjustment

- Throughout the authorisation process, the applicant can suggest adjustments to their application.
- In response, the decision-taking competent authority reviews these adjustments and is free to either **update their decision or incorporate the adjustments** into the authorisation to be issued.
- It is foreseen there will be **essential and non-essential adjustments** e.g. change of phone number, name, or contact person.
- If a consultation process is currently underway, the authority must decide whether or not to share the received adjustments with the **consulted parties**. This decision is at the discretion of the decision-taking competent authority, as not all information necessarily needs to be shared with consulted parties, depending on the information's sensitivity and other factors.
- The feedback is **subsequently communicated** to the applicant.

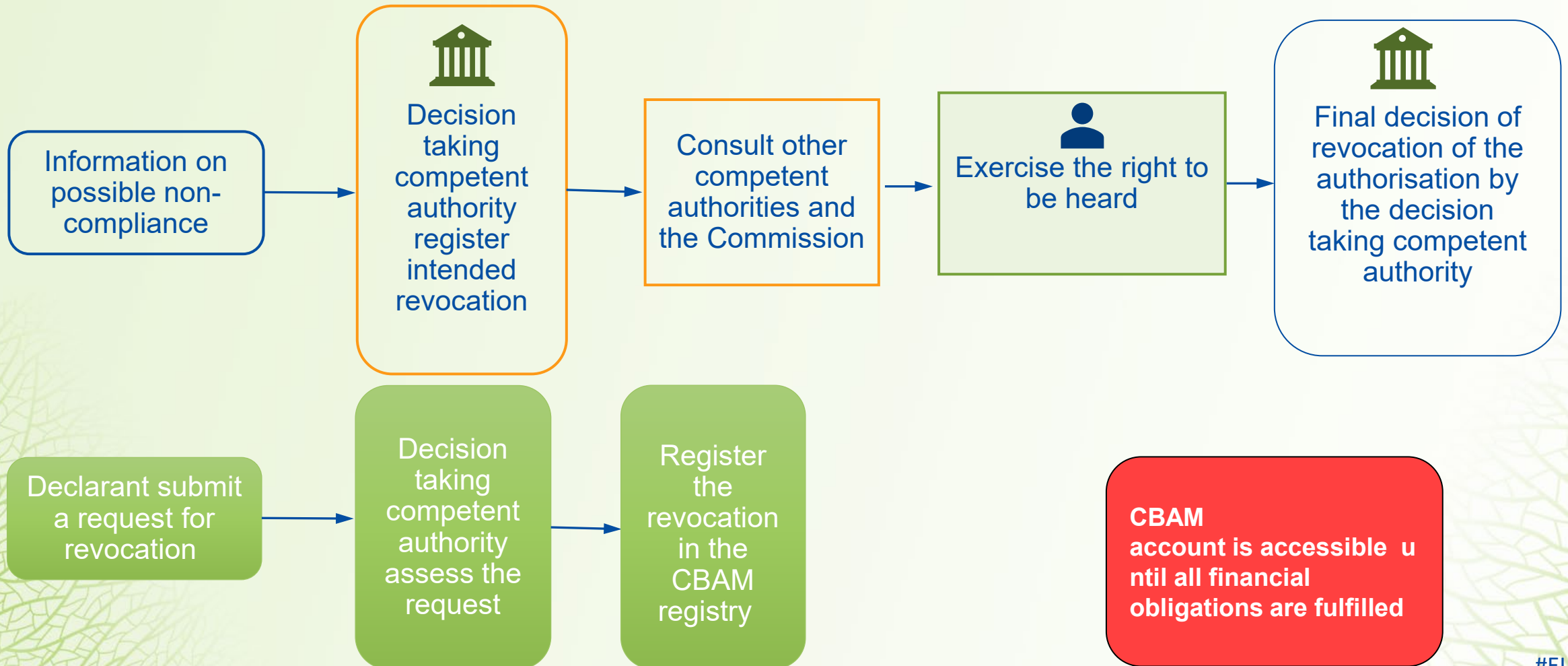
# Assessment of application and re-assessment or authorisation



# Important steps for the assessment and re-assessment or authorisation

- Where the applicant is required to provide a guarantee, the CBAM account will be assigned when the guarantee is registered.
- The authorization information will include:
  - Authorised CBAM declarant and status of the authorized CBAM declarant
  - Name and contact information
  - EORI number
  - Contact person
  - CBAM account number
  - Decision-taking competent authority
  - Authorisation status
  - Issue date of the authorization
- In case the intended decision is not favourable:
  - Justification
  - Right to appeal
  - All ongoing sub-processes (including the adjustments, request for additional information and request for time limit extension) are cancelled.
- When presented with new information, the decision-taking competent authority may deem a re-evaluation of the authorisation's granting criteria necessary based on the updated data and shall where needed launch a consultation procedure.

# Revocation – initiated by the competent authority



## Important steps for the revocation – request by the authorised CBAM declarant

- The procedure to revoke an authorisation can be started in different ways: either by the authorised CBAM declarant themselves or by the decision-taking competent authority.
- In the situation of the request by the authorised CBAM declarant, the decision-taking competent authority shall assess if the financial obligations are fulfilled.
- A CBAM account, where the authorisation is revoked, is accessible until the financial obligations are fulfilled.

## Important steps for the revocation – request initiated by the competent authority

- Initiation by the decision-taking competent authority may occur either after a re-assessment of the authorisation or by directly registering the intention to revoke the authorisation.
  - It is important to note that if the decision-taking competent authority wishes to ensure the revocation process is grounded on accurate information, they can choose to request additional details from the declarant.
- If the decision-taking competent authority opts against the revocation and the revocation has not been initiated by the declarant, the declarant's right to be heard is not granted, as the decision favours maintaining the authorisation.
- Instead, if the declarant was previously informed about the potential revocation – either due to their own initiation or through another procedure – they are duly notified.
- Consultation procedure shall not exceed 15 working days and is registered by the decision-taking competent authority



# Implementing act for the CBAM Registry

- **CBAM Registry**



## What and where?

Article 14(6) requires the Commission to establish a standardized and secure electronic database containing common data elements for CBAM declarations, applications to become authorised CBAM declarants, registration of operators and installations in third countries, and for providing access, case handling and confidentiality.

Baseline: The CBAM Transitional Registry by Implementing Regulation (EU) 2023/1773.

Needs to be functioning from 1 January 2025 for the application for authorization and for registration of third country operators.

## Key points on the CBAM Registry

- A copy for the implementing act for the transitional registry
  - With improvements
- Special attention points
  - Access for third country operators
  - Exchange of customs data (SURV etc.)
  - Access to customs information (EORI)
  - Information from declarants instead of customs (Bill of discharge)
- Important steps in the future
  - Amendments when ALL other implementing acts are adopted (spring 2025)
    - Verifiers, customs information, CBAM declarations etc.

# The Carbon Border Adjustment Mechanism

## 5. Any Other Business



# The Carbon Border Adjustment Mechanism

**Thank you for your attention!**

**If you have any questions, please contact us:**

[TAXUD-CBAM-EXPERT-GROUPS@ec.europa.eu](mailto:TAXUD-CBAM-EXPERT-GROUPS@ec.europa.eu)