



# Informal Expert Group on the CBAM 2<sup>nd</sup> Meeting

**13 November 2024 11:00 CET**

***Please rename yourself in the participant's list:  
ORGANISATION – Last Name, first name***

# Agenda

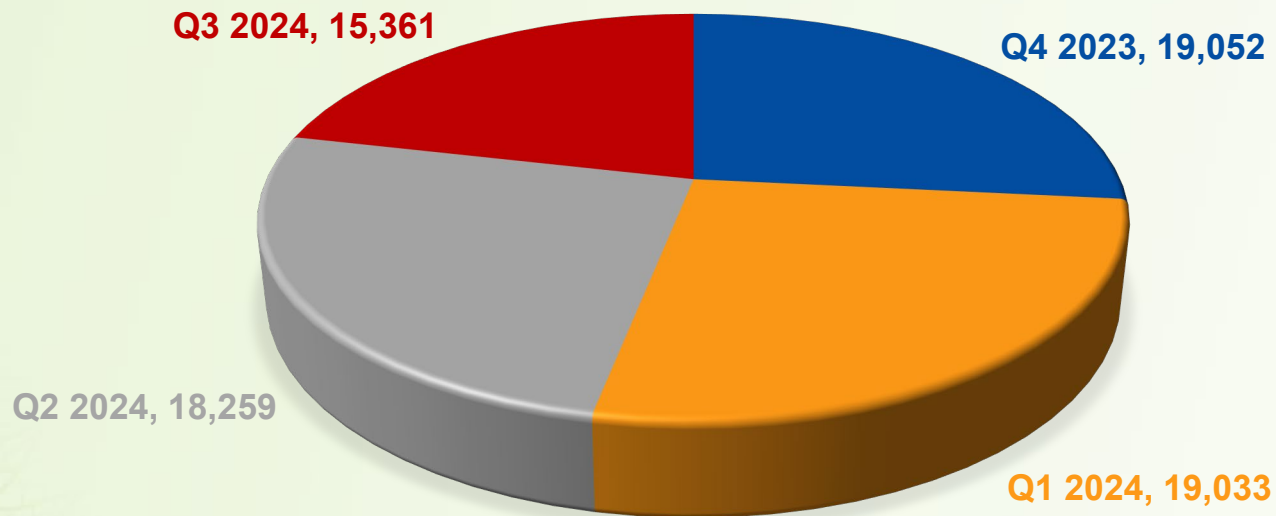
- 1) CBAM reports & outcome of reporting periods (30')
- 2) Info point: new portal on operators of third-country installations (10')
- 3) General update on studies (10')
- 4) Exchange of ideas for simplification of the CBAM (30')
- 5) General update on legal acts (30')
- 6) Deep dive: CBAM accreditation and verification (30')
- 7) AOB (10')

# CBAM reports & outcome of reporting periods

## 1. CBAM reports & outcome of reporting periods

# How many reports did we receive in the 1st year of CBAM?

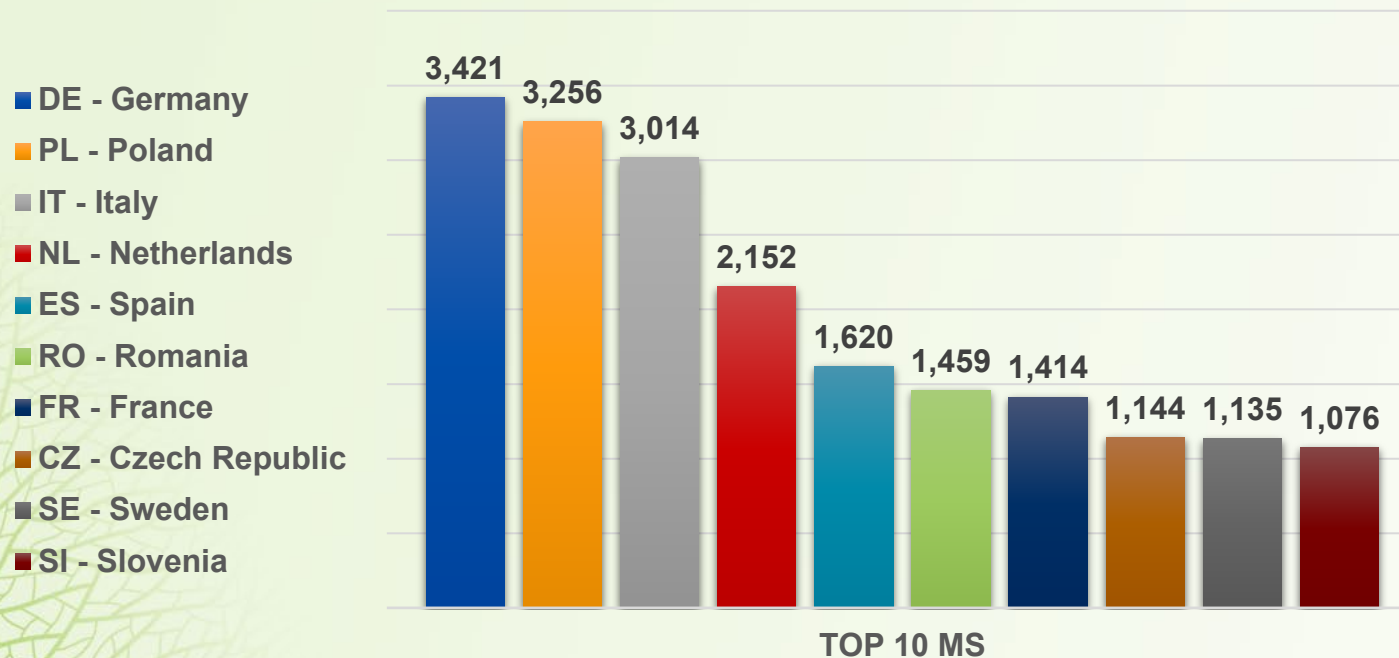
## Number of submitted and registered CBAM reports – status as of 31 October 2024



- Over 70.000 reports for 12 months
- Around 20.000 reports per quarter
- NB: modification period for Q3 2024 is still ongoing (deadline 30 November 2024)

# Where did the most CBAM declarants come from ?

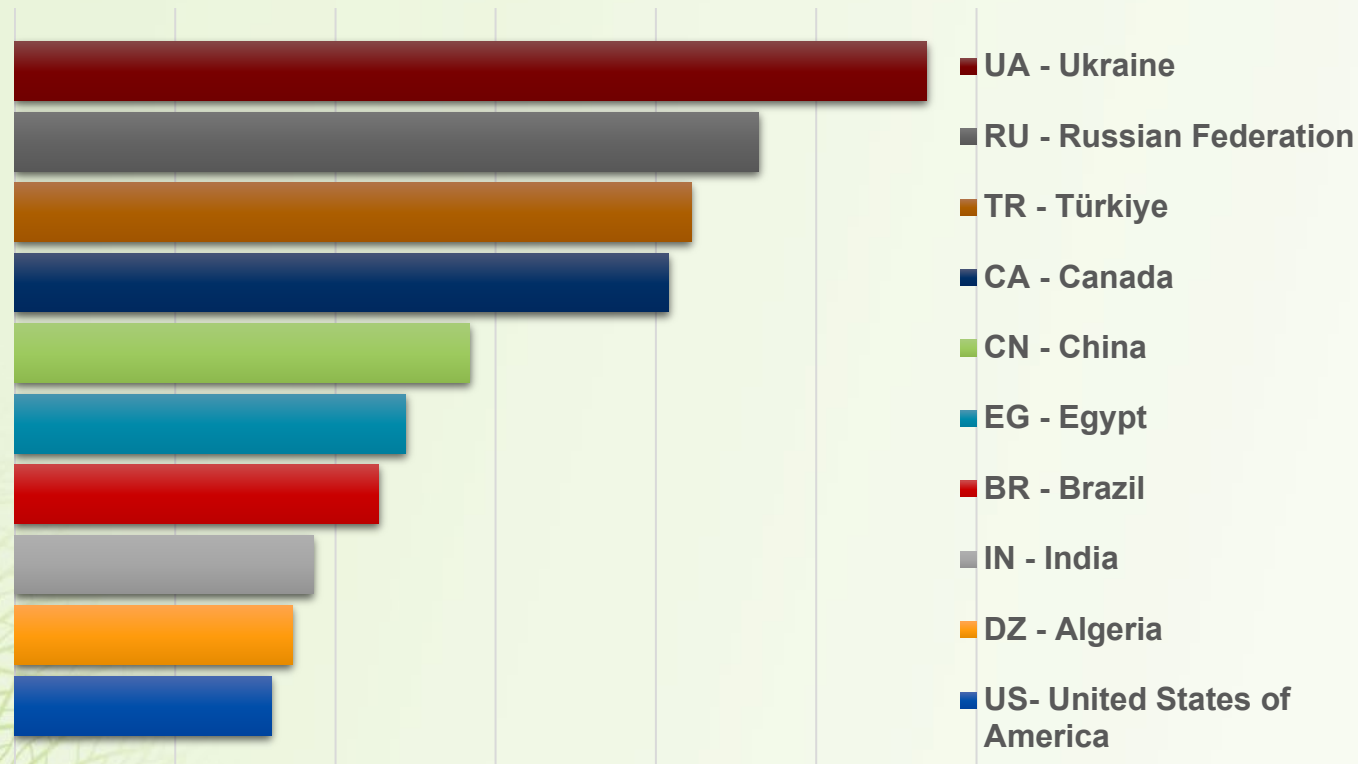
## TOP 10 MS in number of declarants who submitted CBAM reports – status as of 31 October 2024



- Around 10.000 repetitive declarants in the first 12 months
- Top 3 member states identical with trade statistics
- Based on customs data, we expect additional CBAM declarants in 2025

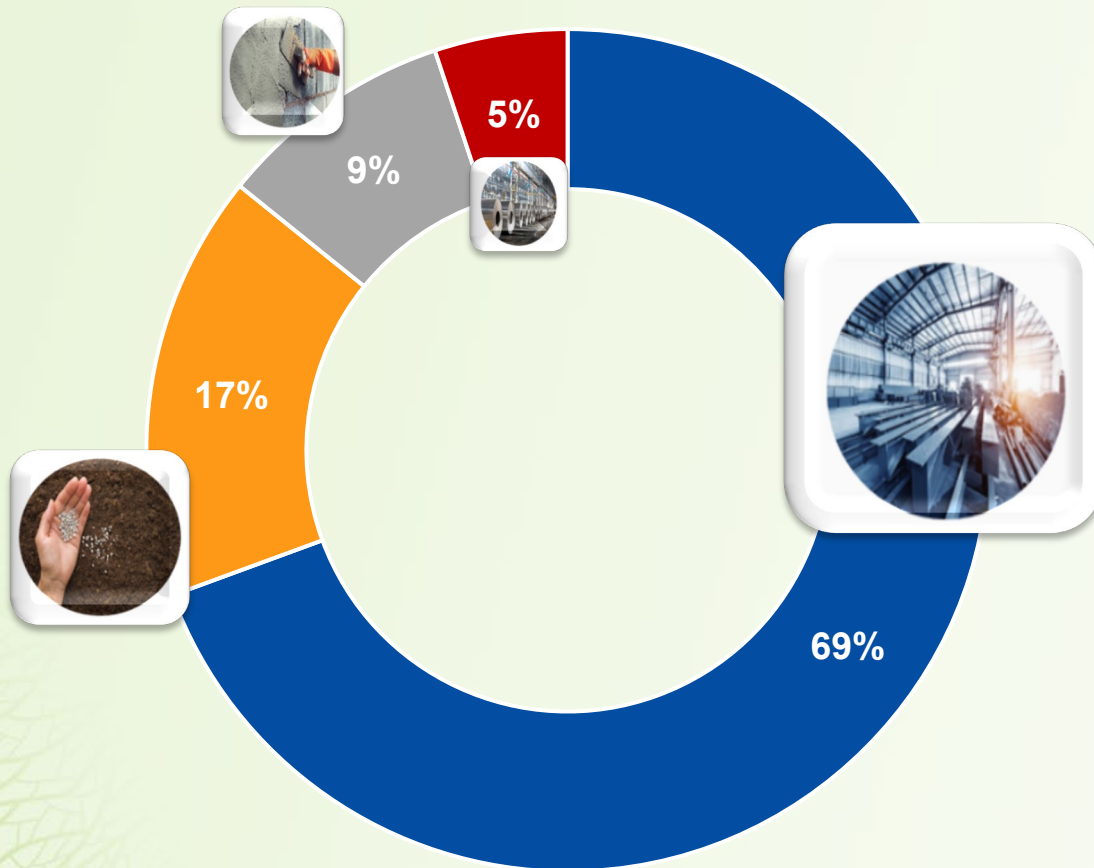
# Where did the most CBAM goods come from?

## TOP 10 Countries of Origin in terms of imported goods quantities



- Order is based on aggregated statistics (number of tonnes)
- 4 main industrial CBAM sectors are represented: Iron & Steel, Fertilizers, Cement, Aluminium
- Trends in top countries of imports in CBAM goods are aligned with trade statistics
- In terms of number of imports, China is the number #1 Country of Origin

# How did the sector specific reporting look like?

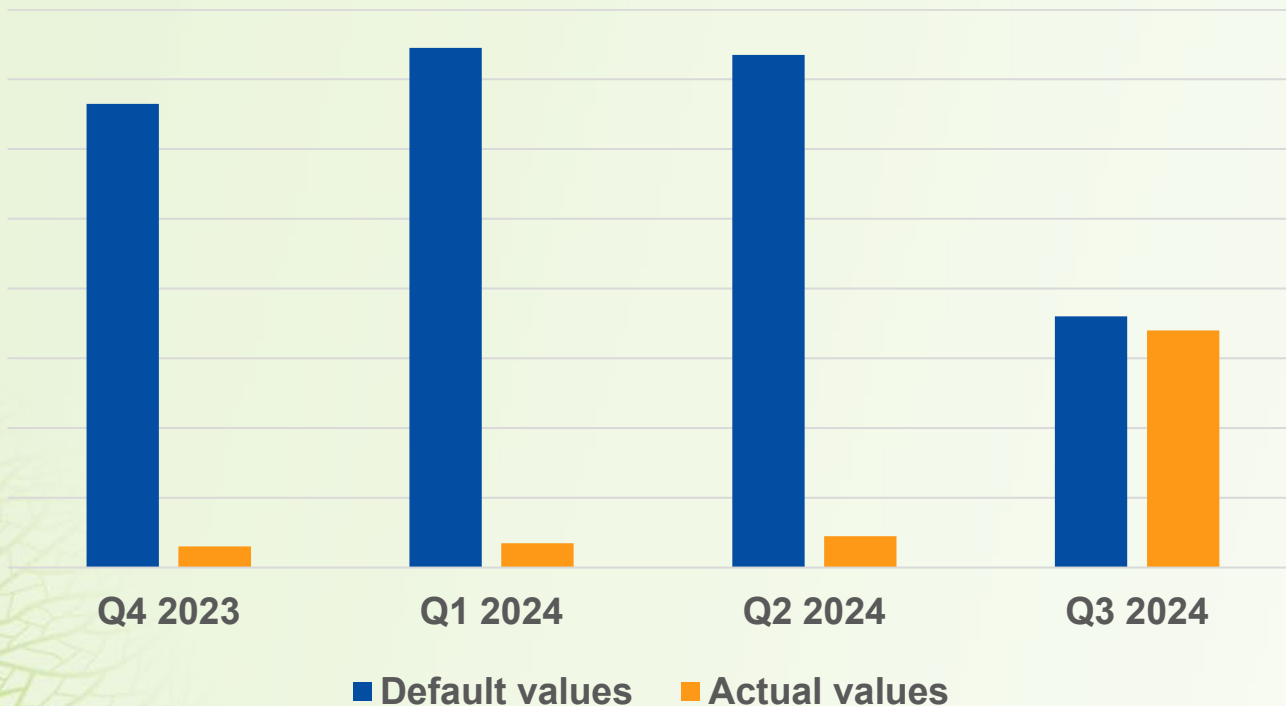


- 4 main industrial CBAM sectors are represented, in order of quantities of CBAM goods reported in tonnes:

- Iron & Steel 69%
- Fertilizers 17%
- Cement 9%
- Aluminium 5%

# How many declarants used actual / default values?

## Number of imports reported with default values vs actual values of emissions – 1<sup>st</sup> year of CBAM



- In the first three quarters most of the declarants have reported their emissions based on the default values (95% overall)
- In Q3 2024, we could see an increase to around 50% overall
- These numbers were much higher for the top importers (around 80%)



# Commission's preliminary review of CBAM reports

- Legal basis: Article 35 of the CBAM Regulation

## DETECT

- Identify missing and erroneous reports

## CORRECT

- Close the reporting gap and ensure data accuracy

## PREVENT

- Raise awareness and improve CBAM registry

# Identification of mistakes

## Classic Example from Q1:

- Declarant from MS,
- who declared to have imported 1.4 million tonnes of cement clinker (which would be 20x as much as the Top 10 after him)
- who happened to be a tiny company of one person

## Classic Example from Q1 - "impossible" (without SURV data)

- Declarant from MS,
- who declared to have imported just as much as the top 10 has on average

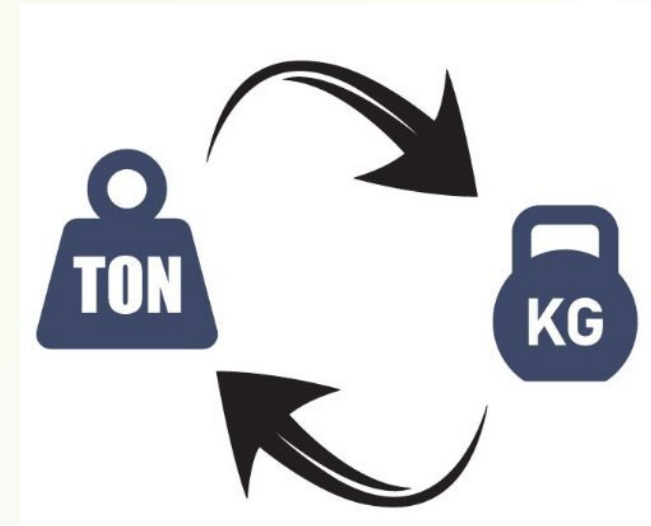


# Identification of mistakes

- Detect and Correct: Most common mistakes spot on reports, focusing mainly on big quantities to cover maximum of emissions

27 Member States have many different ways of writing numbers:

- 1,500.30
- 1.500,30
- 1 500.30
- 1 500,30
- 1500.30
- 1500,30
- 150030
- Verify if you are reporting in KG or Tonnes



## Prevention of errors:

- Warning message in Transitional Registry
- Caution when using XML file

1.000 ≠ 1,000



Please, only use a dot (.) to separate decimals.

## Prevention: improvements and new functionalities to the transitional registry (as of October 2024 – Q3 2024)

- Simplified XML Upload: auto-filled and auto-calculated fields are no longer needed
- Download PDF is now enabled in Draft / Under Amendment / Under Correction reports
- Possibility to create reports from 1st day of reporting period (since 1 October, reports for Q3 2024 and Q4 2024 can be created)
- Duplication of reports from previous reporting periods
- Fields “Type of determination” allow selected of “*Actual data not available*”
- Delayed submission by declarant – *still available based on request to NCA*

# New portal on operators of third-country installations

## 2. Info point: new portal on operators of third-country installations

# New portal on operators of third-country installations

## Why Third Country Operators Portal?

**Purpose:** Streamline the process for installation operators outside the EU to upload and share their installation and emissions data with reporting declarants

### Key Benefits:

- Centralized data upload for emissions, reducing redundant submissions.
- Confidential handling of business-sensitive information.
- Automated CBAM report population for EU declarants.

## When?

Registration for installation operators will open in January 2025.

## Main Stakeholders:

Operators of third-country installations, European Commission, EU CBAM declarants and NCAs

# New portal on operators of third-country installations

## *Key Features for Third Country Operators & EU Declarants*

### **For Third Country Operators (in 2025):**

- Apply for registration and upload installation data.
- Submit emissions data and control data visibility on the Commission website.
- Report carbon price paid in the third country.
- Share emissions data securely with CBAM EU declarants.

### **For EU Declarants (in 2025):**

Submit quarterly CBAM reports using emissions data from third-country operators for the previous quarter.



# New portal on operators of third-country installations

## *Training & Support*

### **Training Resources:**

- Video guidance available in the second half of December 2024
- IT manuals and business guidelines

### **Support:**

Provided directly by the Commission, not by NCAs

# General update on studies

## 3. General update on studies



## Study on carbon price paid in third countries

- Start September 2024, 18 months duration
- Objectives:
  - **Analyse the design of carbon pricing instruments** (carbon taxes and emission trading systems) in view of operationalising the deduction of the carbon price effectively paid
  - Develop **methodological approaches** for attributing a share of the total carbon price to the CBAM embedded emissions and for the conversion to a number certificates
  - Develop **possible approaches for the certification** of the carbon price (incl. governance, evidence required, qualifications of certifier)
- Results will feed into the work of the Commission in drafting the Implementing Act on carbon price and price of certificates, as well as its accompanying guidance

# Study on default values

- Start June 2024, 24 months duration
- Objectives:
  - Update of average GHG emission intensity per CN code (geographical, temporal, methodological)
  - Technical input to set mark-ups
  - Determination of GHG emission intensities of X% worst EU ETS installations
- Results will feed into implementing act for the determination of embedded emissions from 2026 onwards

# Study on electricity as CBAM good

- Start December 2023, 18 months duration
- Objectives:
  - Support in updating the methodology for calculating the embedded emissions of imported electricity in the definitive period (default values and conditions for actual emissions)
  - Support in identifying the roles of different actors involved in CBAM and electricity
  - Support in developing procedures for reporting and customs declaration
  - Support in developing rules for verification
- Future stakeholder involvement through targeted consultation
- Results will feed into an implementing act for the determination of embedded emissions from 2026 onwards and the implementing act on verification

# Study on indirect emissions

- Start September 2024, 18 months duration
- Objectives:
  - Support to the calculation of default values for indirect emissions in the definitive period
  - Support to the development of rules on the evidence to be provided in cases when actual indirect embedded emissions are reported
  - Identification of technical solutions to extend indirect emissions to all CBAM goods in the definitive period
- Future stakeholder involvement through targeted consultation
- Results will feed into an implementing act for the determination of embedded emissions from 2026 onwards and one on verification, as well as the 2025 report to co-legislators (Art 30.2 of the CBAM Regulation)

# Study on monitoring/reporting, verification/accreditation and free allocation

- Start August 2024, 18 months duration
- Objectives:
  - Update of methodology for calculating embedded emissions for post-2026 period
  - Support elaboration of requirements for Verification of embedded emissions and accreditation of verifiers
    - Support elaboration of rules for the adjustment of CBAM obligation reflecting the phase out of free allocation
- Targeted survey to be launched next week
- Results will feed into an implementing act on the post-2026 methodology, two acts on accreditation and verification, an implementing act on free allocation adjustment

# Study on potential CBAM scope extension to downstream goods

- Start May 2024, 14 months duration
- Objectives:
  - Identification of potential downstream products at risk of carbon leakage
  - Assessment of technical feasibility and associated administrative burden
- Stakeholder involvement through targeted surveys and bilateral communication
- Results will feed into Report to co-legislators (Art 30.3 of CBAM regulation)



## Study on potential CBAM scope extension to other sectors and transport of CBAM goods

- Start July 2024, 16 months duration
- Objectives:
  - Ranking of priority sectors / products in the list of feasible candidates for horizontal expansion according to criteria of risk of carbon leakage, relevance in terms of emissions and technical feasibility and administrative burden.
  - Similar analysis for vertical expansion for identifying precursors relevant (i.e. large contribution to embedded emissions) for CBAM initial scope and its potential horizontal expansion.
  - Analysis of potential extension of CBAM scope to transport of CBAM goods
- Stakeholder involvement through targeted surveys and bilateral communication
- Results will feed into Report to co-legislators by mid 2025

# Study on economic impacts of CBAM

- Start September 2024, duration 27 months, with JRC
- Objectives: **Socio-economic** impact of CBAM on:
  - Developing countries, In particular LDCs
  - If relevant, impact of changes to CBAM scope
- Computable General Equilibrium model (JRC-GEM-E3)
- Results will feed into Art 30 report 2025 and potential impact assessments

# Exchange of ideas for simplification of the CBAM

## 4. Exchange of ideas for simplification of the CBAM

# Exchange of ideas for simplification of the CBAM

**After 1 year of learning through the transitional period, which technical improvements to CBAM can be considered?**

- *Example: Better calibration of EUR 150 de minimis for very small importers*
- *Example: no CBAM reporting for CBAM precursors produced in the EU and subject to EU ETS*

# General update on legal acts

## 5. General update on legal acts



## Secondary legislation

Q4  
2024

IA: technical arrangements for the CBAM Registry

IA: conditions for authorisation of CBAM declarants

Q1  
2025

IA: conditions for CBAM application to goods brought to EEZ

Q2  
2025

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

Q3  
2025

IA: calculation of emissions and CBAM declarations

IA: accreditation of verifiers and verification principles

DA: conditions for accreditation and verifiers

Q4  
2025

IA: carbon price and price of certificates

IA: adjustment for free allocation

IA: Customs communication and information on imports

# General update on legal acts

## CBAM Registry and authorisation of CBAM declarants

Establishment of the CBAM Registry: feedback consultation open until 28 November.

Authorisation of CBAM declarants: feedback consultation open until 27 November.

# General update on legal acts

## CBAM application to goods brought to the exclusive economic zone (EEZ)

CBAM applies to goods brought to the EEZ/CS in line with Article 2(2) of the CBAM Regulation which reads as follows:

'This Regulation also applies to goods listed in Annex I [...], where those goods, or processed products from those goods resulting from the inward processing procedure [...], are brought to an artificial island, a fixed or floating structure, or any other structure on the continental shelf or in the exclusive economic zone of a Member State that is adjacent to the customs territory of the Union.'

“ The Commission shall adopt implementing acts laying down detailed conditions for the application of the CBAM to such goods, in particular as regards the notions equivalent to those of importation into the customs territory of the Union and of release for free circulation, as regards the procedures relating to the submission of the CBAM declaration in respect of such goods and the controls to be carried out by customs authorities.’

### The IR will cover 3 scenarios:

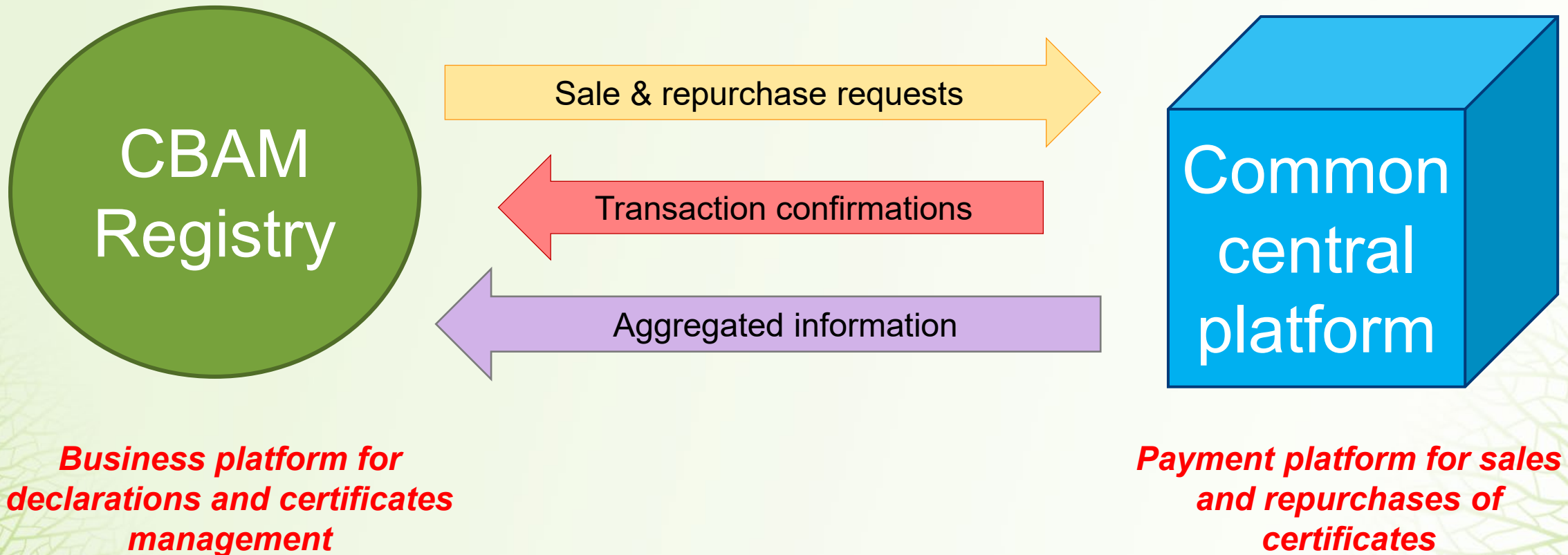
- CBAM goods brought directly to the EEZ/CS from a third country
- CBAM goods brought to the EEZ/CA after a special customs procedure (e.g. inward processing, customs warehousing etc.) or after temporary storage
- Processed products from CBAM goods resulting from inward processing brought to the EEZ/CS

Outline of preliminary reflections on notion of importer and moment of importation for the 3 scenarios.



# General update on legal acts - Sale and repurchase of CBAM certificates

## Architecture overview



# General update on legal acts - Sale and repurchase of CBAM certificates

## Drivers for the CCP

### Security

- Data reconciliation
- 4-eye principle

### Simplicity

- Single access management
- User-friendliness

### Cost efficiency

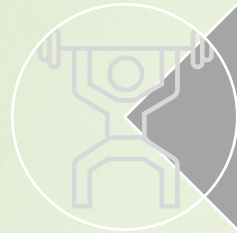
- CCP for payments
- CBAM registry for other tasks

# General update on legal acts - Sale and repurchase of CBAM certificates

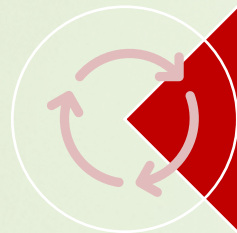
## Service requirements for the CCP



Availability



Performance



Change management

# Deep dive: CBAM accreditation and verification

## 6. Deep dive: CBAM accreditation and verification

# Introduction

- Imports of CBAM goods from 1 January 2026 are subject to a CBAM financial adjustment (embedded emissions - EU free allocation under EU ETS).
- Authorised CBAM declarants report CBAM embedded emissions on the basis of default values or actual emissions in a CBAM declaration.
- If actual values are used, embedded emissions must be verified by an accredited verifier.
- The Commission and national competent authorities (NCAs) will review CBAM déclarations and ensure that emissions were duly verified.
- Accreditation of verifiers should start in 2026, verification at installations in early 2027 and first CBAM declarants will be submitted by 31 May 2027.

# CBAM accreditation under Regulation 765/2008

The CBAM Regulation provides that the accreditation of CBAM verifiers is the sole task of EU Member States' national accreditation bodies (NABs).

*See Art. 8, 18, and 3(32) CBAM Regulation.*

EU NABs are subject to strict legal requirements set out in EU Regulation 765/2008:

- EN ISO/IEC 17011 (competence, consistent operation and impartiality of accreditation bodies).
- Additional specifications in programme-specific rules (e.g. EU ETS, CBAM) e.g. scope of accreditation, verification principles, etc.
- Regular peer-evaluation by European-Cooperation for Accreditation (EA).
- In cases of misapplication, the Member State concerned *must* take appropriate corrective action.

# Application of EN ISO standards



## International Organisation for Standardization (ISO)

- Authoritative international association. Has adopted 25k international standards since 1946. Consensus-based approach.
- ISO 17011 (competence, consistent operation and impartiality of accreditation bodies)
- ISO 14065 (general principles and requirements for bodies verifying environmental information)



## European Committee for Standardisation (CEN)

- Private non-profit European standardisation body, recognised by COM. Defines a standard applicable in Europe, by consensus.
- **EN ISO 17011**
- **EN ISO 14065**

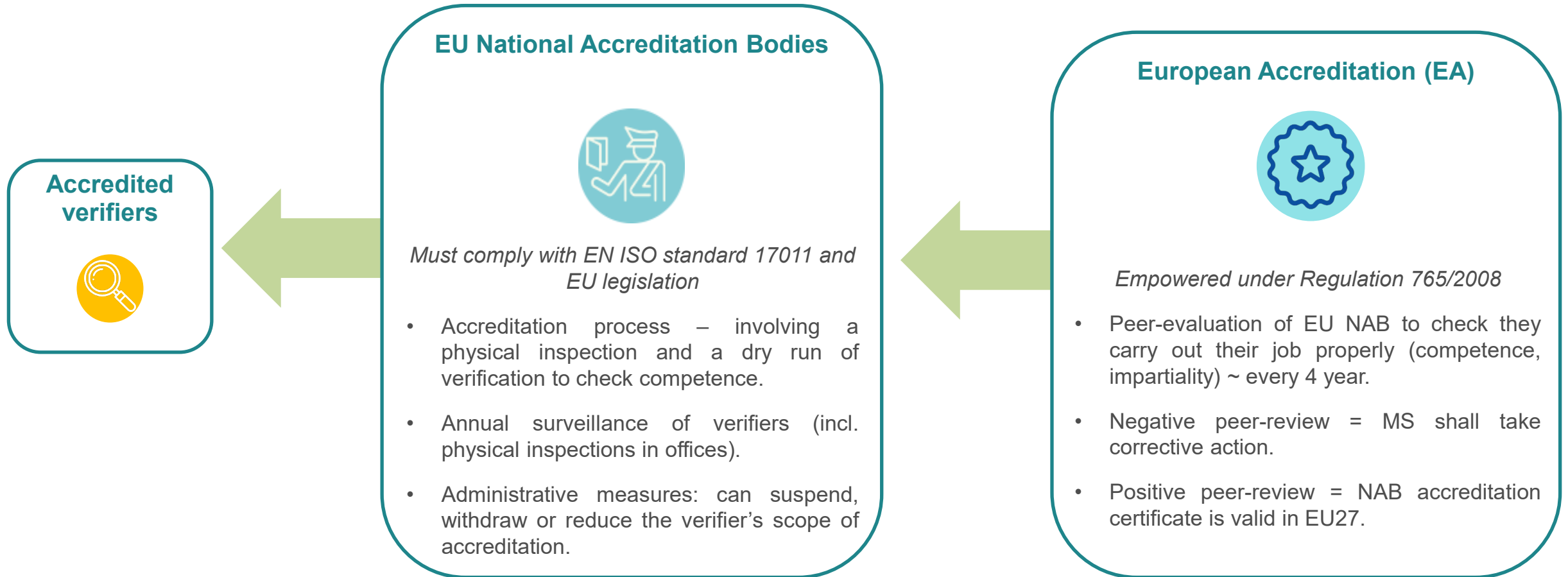


## European Commission

- Incorporates the reference of the harmonised standards in the Official Journal of the EU, which can now become an applicable standard for e.g. EU ETS, CBAM, etc.
- Also adopts programme-specific accreditation and verification rules.

# CBAM accreditation

Accreditation is a decentralised process, based on an existing infrastructure (Regulation 765/2008).





# NABs performing accreditation under EU ETS

Country	National Accreditation Body (NAB)
Austria	Akkreditierung Austria (AA)
Belgium	Belgian Accreditation Council (BELAC)
Bulgaria	Bulgarian Accreditation Service (BAS)
Croatia	Croatian Accreditation Agency (HAA)
Cyprus	
Czech Republic	Czech Accreditation Institute (CAI)
Denmark	Danish Accreditation Fund (DANAK)
Estonia	Estonian Accreditation Center (EAK)
France	Comité français d'accréditation (COFRAC)
Finland	Finish Accreditation Service (FINAS)
Germany	Deutsche Akkreditierungsstelle GmbH (DAKKS)
Greece	Hellenic Accreditation System (ESYD)
Hungary	National Accreditation Authority (NAH)
Ireland	

Country	National Accreditation Body (NAB)
Italy	Ente Italiano di Accreditamento (Accredia)
Luxembourg	
Latvia	Latvian National Accreditation Bureau (LATAK)
Lithuania	Lithuanian National Accreditation Bureau (LA)
Malta	
Netherlands	Raad voor Accreditatie (RvA)
Norway (EEA Agreement)	Norsk Akkreditiering (NA)
Poland	Polskie Centrum Akredytacji (PCA)
Portugal	Instituto Portugues de Acreditaçao (IPAC)
Romania	Romanian Accreditation Association (RENAR)
Sweden	Swedish Board for Accreditation and Conformity Assessment (Swedac)
Spain	Entidad Nacional de Acréditacion (ENAC)
Slovakia	Slovak National Accreditation Service (SNAS)
Slovenia	Slovenska Akreditacija (SA)

# Two possibilities for obtaining CBAM accreditation

The CBAM regulation provides two ways for the accreditation of CBAM verifiers:

- Art. 18(1): Candidate verifier is already an accredited verifier under the EU ETS for a relevant group of activity – they are granted the equivalent group of activity for CBAM.
  - e.g. A CBAM verifier is accredited under the EU ETS for scope no. 6 “production of cement clinker” (Annex 1 of Implementing Regulation (EU 2018/2067)). They are granted the corresponding CBAM group of activity.
- Art. 18(2): Candidate verifier submits a new application to a Member States’ NAB for CBAM scopes of activities.

In addition, EN ISO standards allow under certain conditions CBAM verifiers to outsource/sub-contract some verification activities to a local verifier (under the responsibility of the accredited verifier).

# CBAM verification

- Verifiers act in the public interest, and they are subject to strict requirements of independence, impartiality, attitude of professional scepticism.
- CBAM will seek equivalence and coherence with EU ETS rules. The rules will:
  - Apply EN ISO/IEC 14065 (general principles and requirements for bodies verifying environmental information).
  - Apply additional EU ETS-related specifications e.g. the reasonable level of assurance, elements to verify during verification, how to address misstatements and non-conformities, site visit requirements, etc.

# CBAM verification report

## Operator



- Monitors and calculates embedded CBAM emissions in line with the CBAM methodology.
- Sends monitoring methodology and calculation of emissions to verifier.

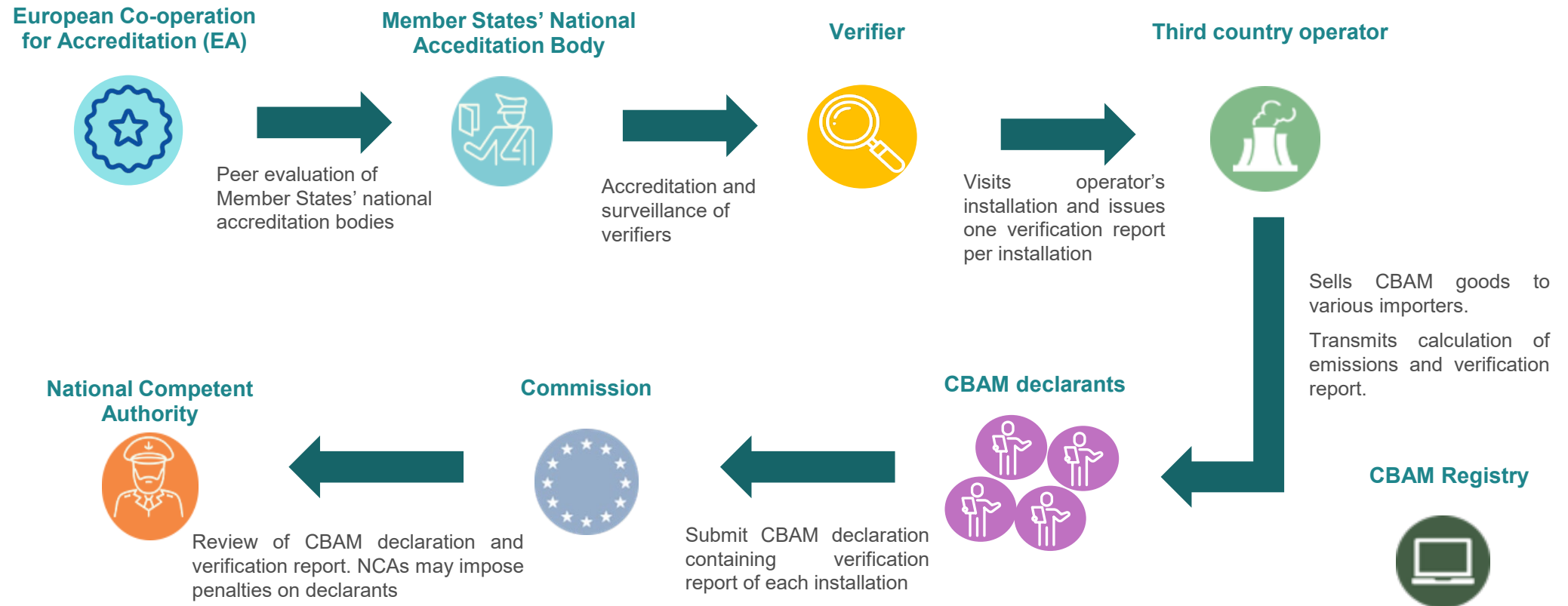


## Verifier

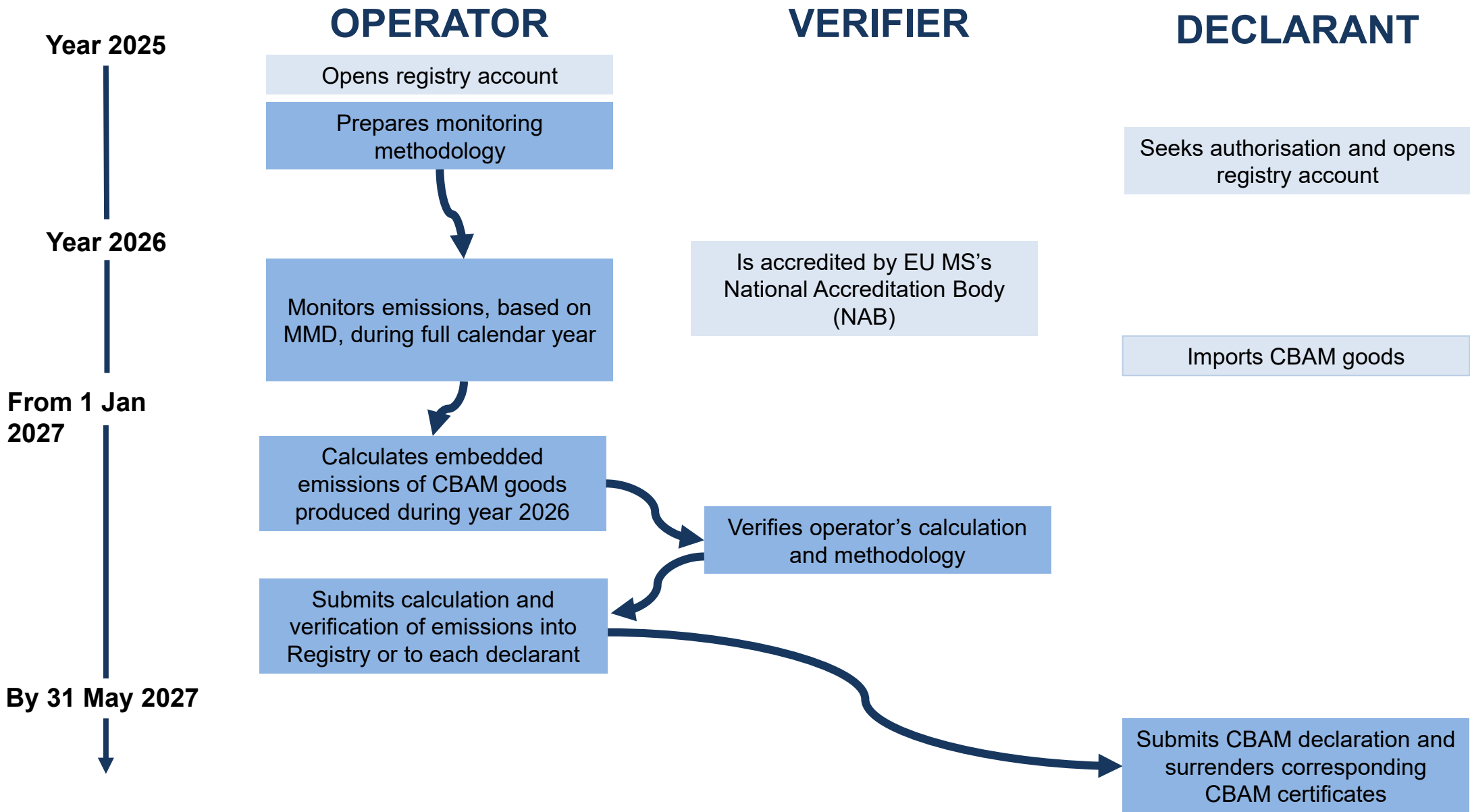


- Receives and reviews operator's monitoring methodology and calculation of emissions.
- Organises **visit of installation** to consult e.g. chimneys, invoices for purchase of fuels and other records, measurement equipments, etc.
- Prepares verification report, containing e.g. (Annex VI CBAM Regulation):
  - description of operator and installations;
  - description of verifier (accreditation number, NAB);
  - Date of installation visits;
  - Quantitative information and quantity of goods produced;
  - Quantification of direct emissions during reporting period;
  - Description of how installation's emissions are attributed to goods;
  - Statement of reasonable assurance that the report is free of material misstatements and non-conformities.
- Issues **verification report** to operator.

# Actors involved in CBAM accreditation and verification



# Verification timeline for CBAM goods produced and imported in 2026



# Supplementary legislation

## Implementing Act on the application of the verification principles and the alignment of the qualifications of an accredited verifier

- Identify the groups of activities under the EU ETS which are relevant for CBAM and provide an alignment of the qualifications;
- Application of the verification principles:
  - Visits of the verifier to the installation;
  - Threshold for deciding whether misstatements or non-conformities are material;
  - Supporting documentation needed for the verification report, including its format.

When adopting the implementing act, the Commission “shall seek equivalence and coherence with the procedures set out in Implementing Regulation 2018/2067” [on ETS accreditation and verification].

# Supplementary legislation

Delegated Act on the conditions for granting accreditation, the control and oversight of verifiers, the withdrawal of accreditation, the mutual recognition and peer evaluation of accreditation bodies

- Requirements for verifiers (competence, impartiality, independence);
- Verification activities carried out by verifiers;
- Application process for the accreditation of verifiers (art. 18(2) CBAM Regulation);
- Oversight by national accreditation bodies (annual surveillance, reassessment, administrative measures, etc.);
- Additional requirements for national accreditation bodies and Member States (mutual recognition, peer evaluation and corrective action);
- Information exchange between public authorities.



AOB

## 7. 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)