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Carbon Border Adjustment Mechanism (CBAM) – BusinessEurope response to the consultation on reporting obligations during the transition period of CBAM

The Carbon Border Adjustment Mechanism (CBAM) can be an effective tool to level the playing field, fight carbon leakage and help European industry to continue to decarbonise. The implementation of CBAM starting with the transition period is crucial to achieve these objectives. The CBAM transitional period is particularly important to prepare for a successful definitive period of CBAM as of 2026.

A few months away from entering into application, businesses are facing difficulties and uncertainty regarding the implementation of CBAM. Although the transition period starting next October is a learning phase with no financial implications, companies will be required to fulfil obligations of a very complex nature in a very short period of time. The lack of available guidance and technical documents exacerbate these difficulties.

The complexity of the implementation has raised concerns both from importers that will ultimately implement the measure as well as from the CBAM sectors, which fear that circumvention will not be appropriately tackled. The list of declarations and the methods for calculating the carbon content of products appear complex, time-consuming and require specific resources as well as a certain knowledge of EU ETS rules. Importers may not be able to obtain all the information required from producers that ultimately have full control of the data. These difficulties, which should be properly addressed and will be hopefully tackled as the implementation moves forward, also increase the risk of circumvention.

Against this background, we call on the European Commission and the national competent authorities, as appropriate, to:

- Publish official guidelines and organise relevant trainings as soon as possible.
- Continue to engage and keep an open dialogue with European industry during the implementation phase, especially to tackle appropriately the risks of circumvention of CBAM.
- Carefully monitor the effectiveness of CBAM in addressing carbon leakage as well as assess the impact of CBAM on the European downstream sectors, given that their input materials will become more expensive in their European production processes.
- Assess the coherence and ensure an efficient complementarity of the CBAM requirements with existing EU legislation impacting imports.



BusinessEurope has also the following concrete comments on the draft implementing act:

Article 5 – Default values

We understand the interest in collecting relevant information on actual emissions. Nevertheless, limiting the use of default values to less than 20% of the total emissions of the good would be a very difficult obligation to meet for some sectors during the transition period.

Article 4.2 – Calculation of embedded emissions

A robust and reliable monitoring system of emissions is the key pillar of an efficient CBAM, and of its environmental integrity. Therefore, flexibilities on reporting methods planned in Article 4.2 that allow deviations from the reporting requirements of the draft implementing act, should be clearly and strictly limited in time.

Article 11- Checks of CBAM report and use of information by the Commission

The European Commission should make every effort to check as many reports as possible. It would be useful to know more concretely how the Commission is planning to conduct such verification. An example of concern is an emissions loophole through remelted metal scrap in imported products and, hence, avoiding carbon cost that EU producers face.

To ensure that goods under the scope of CBAM are correctly categorized and identified, the checks of the CBAM reports must be accompanied by organized random physical checks of materials when they enter the EU.

Article 13 – Incomplete or incorrect CBAM reports

In the draft implementing act, the CBAM report is incorrect if “the reporting declarant has submitted wrongful data and information”, we would suggest changing this to “wrongful data or information”.

In addition, Member States authorities could draw on the extensive knowledge and expertise of industry from the CBAM sectors for the assessment of the credibility of declarations for goods entering the Union.

Article 14 – Correction of CBAM report

The current article 14(3) foresees that competent authorities may initiate the correction procedure of CBAM reports only after 31 December 2025. This is extremely late and undermines the check of the robustness of data. Hence,



correction procedures should be initiated within a much shorter deadline linked to the submission date (e.g. within 3 months from the submission).

“Providing information at disaggregated product level: Annex IV, section 1, paragraph 3 “Content of the communication from operators of installations to reporting declarants”

This paragraph offers the possibility to operators of declaring emissions and other relevant figures only consolidated for aggregated goods category. Yet, some aggregated goods categories include a very large number of products with potentially very different embedded emissions. Hence, in order to be able to check the plausibility of the declaration, the information should be provided at 8 digit CN code”.