



2021/0214(COD)

12.5.2022

COMPROMISE AMENDMENTS

1 - 15

Draft report
Mohammed Chahim
(PE123.000v01-00)

on the proposal for a regulation of the European Parliament and of the Council
establishing a carbon border adjustment mechanism

Proposal for a regulation
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Compromise Amendment 1 (Subject Matter)

S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 531, 534, 28, 532, 535, 536, 537, 538, 539, 540, ITRE 29, AGRI 28, DEVE 12, ECON 39, 144, 145, 146, 149, 150, ITRE 1, ECON 6, AGRI 3, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, ITRE 3, ECON 7, AGRI 4, DEVE 3, 166, 168, 167, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, ITRE 5, ECON 8, 3, AGRI 5, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, ITRE 6, ECON 9, 4, AGRI 6, 225, 237, 238, 239, 240, 241, 242, 243, 244, 245, ITRE 7, ECON 11, AGRI 7, DEVE 4, 254, ECON 12, BUDG 1, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, ITRE 8, ECON 13, 6, AGRI 9, DEVE 6, AGRI 10, 279 and 408 fall

Proposal for a regulation

Article 1 – paragraph 1

Text proposed by the Commission

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into the customs territory of the Union, in order to **prevent the** risk of carbon leakage.

Amendment

1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to in Annex I, upon their importation into the customs territory of the Union, in order to **reduce global carbon emissions and support the implementation of the goals of the Paris Agreement by preventing any potential** risk of carbon leakage **from the Union and incentivise the reduction of emissions in third countries. For that purpose, the CBAM aims to equalise carbon pricing for imports and domestic products that are within the scope of this Regulation.**

Or. en

Proposal for a regulation

Article 1 – paragraph 2

Text proposed by the Commission

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by

Amendment

2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union by Directive 2003/87/EC by

applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

applying an equivalent set of rules to imports into the customs territory of the Union of goods referred to in Article 2.

Or. en

Proposal for a regulation Recital 8

Text proposed by the Commission

(8) As long as a significant number of the Union's international partners **have policy approaches that** do not **result in** the same level of climate ambition, there **is a** risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) The initiative for a carbon border adjustment mechanism ('CBAM') is a part of the 'Fit for 55 Package'. That mechanism is to serve as an essential element of the EU toolbox to meet the objective of a climate-neutral Union by 2050 in line with the Paris Agreement by **addressing risks of** carbon leakage resulting from the increased Union climate

Amendment

(8) As long as a significant number of the Union's international partners do not **achieve** the same level of climate ambition, **and as the Union increases its climate ambition**, there **could be a** risk of carbon leakage. Carbon leakage occurs if, for reasons of costs related to climate policies, businesses in certain industry sectors or subsectors were to transfer production to other countries or imports from those countries would replace equivalent but less GHG emissions intensive products. That could lead to an increase in their total emissions globally **while undermining the effectiveness of Union emission reduction policies**, thus jeopardising the reduction of GHG emissions that is urgently needed if the world is to keep the global average temperature to well below 2 °C above pre-industrial levels.

Amendment

(9) The initiative for a carbon border adjustment mechanism ('CBAM') is a part of the 'Fit for 55 Package'. That mechanism is to serve as an essential element of the EU toolbox to meet the objective of a climate-neutral Union by 2050 **at the latest** in line with the Paris Agreement by **preventing** carbon leakage resulting from the increased Union climate

ambition.

ambition. *It can also contribute to establishing a level playing field for decarbonisation costs, to increasing the demand for low-carbon products and processes, as well as to avoiding distortions of competition and promoting fair trade.*

Or. en

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) Existing mechanisms to address the risk of carbon leakage in sectors or sub-sectors at risk of carbon leakage are the transitional free allocation of EU ETS allowances and financial measures to compensate for indirect emission costs incurred from GHG emission costs passed on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC. However, free allocation under the EU ETS *weakens* the price signal that the system provides for the installations receiving *it* compared to full auctioning and thus *affects* the incentives for investment into further abatement of emissions.

Amendment

(10) Existing mechanisms to address the risk of carbon leakage in sectors or sub-sectors at risk of carbon leakage are the transitional free allocation of EU ETS allowances and financial measures to compensate for indirect emission costs incurred from GHG emission costs passed on in electricity prices respectively laid down in Articles 10a(6) and 10b of Directive 2003/87/EC. ***Free allocation at the level of best performers has been a policy instrument for certain industrial sectors to address the risk of carbon leakage in the absence of a fair level playing field.*** However, ***both*** free allocation under the EU ETS ***and compensations for indirect emission costs weaken*** the price signal that the system provides for the installations receiving ***them***, compared to full auctioning, and thus ***reduce*** the incentives for investment into further abatement of emissions.

Or. en

Proposal for a regulation Recital 11

Text proposed by the Commission

(11) The CBAM seeks to replace these existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic products. To ensure a gradual transition from the current system of free allowances to the CBAM, the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are phased out. The combined and transitional application of EU ETS allowances allocated free of charge and of the CBAM should in no case result in more favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

Amendment

(11) The CBAM seeks to replace these existing mechanisms by addressing the risk of carbon leakage in a different way, namely by ensuring equivalent carbon pricing for imports and domestic products. To ensure a gradual transition from the current system of free allowances to the CBAM, the CBAM should be progressively phased in while free allowances in sectors covered by the CBAM are phased out. The combined and transitional application of EU ETS allowances allocated free of charge and of the CBAM should in no case result in more favourable treatment for Union goods compared to goods imported into the customs territory of the Union.

Or. en

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) While the objective of the CBAM is to prevent the risk of carbon leakage, this Regulation would also encourage the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated.

Amendment

(12) While the objective of the CBAM is to prevent the risk of carbon leakage, this Regulation would also encourage the use of more GHG emissions-efficient technologies by producers from third countries, so that less emissions per unit of output are generated. ***For that reason the CBAM could be an effective measure to lower emissions in third countries while ensuring a level playing field for European industry.***

Or. en

Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the CBAM should ensure that imported products are subject to a regulatory system that applies carbon costs equivalent to the ones that otherwise would have been borne under the EU ETS. The CBAM is a climate measure which should prevent the risk of carbon leakage **and support the Union's increased ambition on climate mitigation**, while ensuring **WTO** compatibility.

Amendment

(13) As an instrument to prevent carbon leakage and reduce GHG emissions the CBAM should ensure that imported products are subject to a regulatory system that applies carbon costs equivalent to the ones that otherwise would have been borne under the EU ETS, **resulting in an equivalent carbon pricing for imports and domestic products and a level playing field**. The CBAM is a climate measure which should **support the reduction of emissions in the Union in line with the European Green Deal and Regulation (EU) 2021/1119** and prevent the risk of carbon leakage, while ensuring compatibility **with WTO rules**.

Or. en

Compromise Amendment 2 (Scope)

S&D, RE, Greens/EFA, The Left

Compromise amendment replacing Amendments ECON 41, 575, 576, 577, 580, 587, 588, 589, 590, AGRI 29, 591, AGRI 30, ITRE 35, 594, 597, 600, 602, ITRE 36, ITRE 37, ITRE 38, 605, ITRE 39, 610, 609, 611, ITRE 40, ITRE 41, 614, 615, ECON 43, ECON 44, 617, 620, 618, 621, ECON 45, ITRE 42, 629, 630, 631, 632, ITRE 43, ECON 46, 635, AGRI 32, 1255, 120, 1256, 1257, 1316, 1245, 1246, 1249, 1250, 1251, 1253, 1254, 1258, 1259, 699, 960, 723, 543, ITRE 33, 227, 229, 230, 247, 273, 274, 277, 310, ECON 22, 354, 353, 355, 357, 358, 359, 360, 11, AGRI 12, 373, 374, 375, 12, 376, 13, 384, 382, 383, 385, 386, 14, 391, 392, 393, 396, 397, 403, 404, AGRI 15, AGRI 16, 435, 444, AGRI 18, 483 and 530

Proposal for a regulation

Article 2

Text proposed by the Commission

1. This Regulation applies to goods as listed in Annex I, originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council²⁵, are imported into the customs territory of the Union.

Amendment

1. This Regulation applies to goods as listed in Annex I, originating in a third country, when those goods, or processed products from those goods as resulting from the inward processing procedure referred to in Article 256 of Regulation (EU) No 952/2013 of the European Parliament and of the Council²⁵, are imported into the customs territory of the Union.

1a. By 1 January 2030 this Regulation shall apply to all sectors covered by Directive 2003/87/EC.

The Commission is empowered to adopt a delegated act in accordance with Article 28 supplementing this Regulation by establishing a timeline for the gradual inclusion of all goods under the sectors covered by Directive 2003/87/EC. Priority shall be given in the delegated act to goods that are most exposed to carbon leakage and are most carbon intensive. That delegated act shall be adopted by 30 June 2025.

The Commission is empowered to adopt a delegated act in accordance with Article 28 supplementing Annex I by adding all goods under the sectors covered in the EU ETS.

By... [three years after the date of entry into force of this Regulation] the Commission shall adopt a delegated act in accordance with Article 28 supplementing Annex I by adding downstream products of the goods listed in Annex I. Those downstream products shall contain a significant share of at least one of the goods listed in Annex I.

2. This Regulation applies to the goods referred to in paragraph 1 where those goods are brought to the continental shelf or the exclusive economic zone of a Member State.

3. By way of derogation from paragraphs 1 and 2, this Regulation does not apply to goods originating in countries and territories listed in Annex II, Section A.

4. Imported goods shall be considered as originating in third countries in accordance with non-preferential rules of origin as defined in Article 59 of Regulation (EU) No 952/2013.

5. Countries and territories shall be listed in Annex II, Section A, subject to the cumulative fulfilment of the following conditions: :

(a) the EU ETS established pursuant to Directive 2003/87/EC applies to that country or territory or an agreement has been concluded between that third country or territory and the Union fully linking the EU ETS and the third country or territory emission trading system;

(b) the price paid in the country where the goods are originating in is effectively charged on those goods without any rebate beyond those also applied in the EU ETS.

6. The Commission is empowered to adopt ***implementing acts*** in order to determine the conditions for applying the CBAM to goods referred to in paragraph 2. ***Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).***

2. This Regulation applies to the goods referred to in paragraph 1 where those goods are brought to the continental shelf or the exclusive economic zone of a Member State.

3. By way of derogation from paragraphs 1 and 2, this Regulation does not apply to goods originating in countries and territories listed in Annex II, Section A.

4. Imported goods shall be considered as originating in third countries in accordance with non-preferential rules of origin as defined in Article 59 of Regulation (EU) No 952/2013.

5. Countries and territories shall be listed in Annex II, Section A, subject to the cumulative fulfilment of the following conditions: :

(a) the EU ETS established pursuant to Directive 2003/87/EC applies to that country or territory or an agreement has been concluded between that third country or territory and the Union fully linking the EU ETS and the third country or territory emission trading system;

(b) the price paid in the country where the goods are originating in is effectively charged on those goods without any rebate beyond those also applied in the EU ETS.

6. The Commission is empowered to adopt ***delegated acts*** in ***accordance with Article 28 in order to supplement this Regulation by setting out*** the conditions for applying the CBAM to goods referred to in paragraph 2.

7. If a third country or territory has an electricity market which is integrated with the Union internal market for electricity through market coupling, and it has not been possible to find a technical solution for the application of the CBAM to the importation of electricity into the Union, from that third country or territory, such the importation of electricity from the country or territory shall be exempt from the application of the CBAM, provided all of the following conditions are satisfied:

(a) the third country or territory has concluded an agreement with the Union, setting out an obligation to apply the Union law in the field of electricity, including the legislation on the development of renewable energy sources, as well as other rules in the field of energy, environment and competition;

(b) the national law in that third country or territory implements the main provisions of the Union electricity market legislation, including on the development of renewable energy sources *and* the coupling of electricity markets;

(c) the third country or territory has submitted a roadmap to the Commission, containing a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

(d) the third country or territory has committed to climate neutrality by 2050 and has accordingly formally formulated and communicated, where applicable, to the United Nations Framework Convention on Climate Change a mid-century, long-term low greenhouse gas emissions development strategy aligned with that objective, and has implemented that obligation in its domestic legislation;

(e) the third country or territory has, when implementing the roadmap pursuant to point (c), demonstrated substantial progress

7. If a third country or territory has an electricity market which is integrated with the Union internal market for electricity through market coupling, and it has not been possible to find a technical solution for the application of the CBAM to the importation of electricity into the Union, from that third country or territory, such the importation of electricity from the country or territory shall be exempt from the application of the CBAM, provided all of the following conditions are satisfied:

(a) the third country or territory has concluded an agreement with the Union, setting out an obligation to apply the Union law in the field of electricity, including the legislation on the development of renewable energy sources, as well as other rules in the field of energy, environment and competition;

(b) the national law in that third country or territory implements the main provisions of the Union electricity market legislation, including on the development of renewable energy sources, the coupling of electricity markets, *and implements the Union climate, environment and competition acquis, fully respecting agreed deadlines;*

(c) the third country or territory has submitted a roadmap to the Commission, containing a timetable for the adoption of measures to implement the conditions set out in points (d) and (e);

(d) the third country or territory has committed to climate neutrality by 2050 and has accordingly formally formulated and communicated, where applicable, to the United Nations Framework Convention on Climate Change a mid-century, long-term low greenhouse gas emissions development strategy aligned with that objective, and has implemented that obligation in its domestic legislation;

(e) the third country or territory has, when implementing the roadmap pursuant to point (c), demonstrated substantial progress

towards the alignment of domestic legislation with Union law in the field of climate action on the basis of that roadmap, including towards carbon pricing at an equivalent level as the Union at least insofar as the generation of electricity is concerned. The implementation of an emission trading system for electricity, with a price equivalent to the EU ETS, shall be finalised by 1 January **2030**;

(f) the third country or territory has put in place an effective systems to prevent indirect import of electricity in the Union from other third countries not meeting the requirements set out in points (a) to (e).

8. A third country or territory satisfying the conditions set out in paragraph 7, points (a) to (f), shall be listed in Annex II, Section B, of this Regulation, and shall submit **two** reports on the fulfilment of the conditions pursuant to paragraph 7, points (a) to (f), one before 1 July **2025** and another before 1 July 2029. By 31 December **2025** and by 31 December 2029, the Commission shall assess, notably on the basis of the roadmap pursuant to paragraph 7, point (c), and the reports received from the third country or territory, whether that third country or territory continues to respect the conditions set out in paragraph 7.

9. A third country or territory listed in Annex II, Section B of this Regulation, shall be removed from that list:

(a) if the Commission has reasons to consider that the country or territory has not shown sufficient progress to comply with one of the requirements listed in paragraph 7, points (a) to (f), or if the country or territory has taken action incompatible with the objectives set out in the Union climate and environmental legislation;

(b) if the third country or territory has taken steps contrary to its decarbonisation objectives, such as providing public support for the establishment of new generation capacity that emits more than 550 g of CO₂ of fossil fuel origin per kWh of electricity.

towards the alignment of domestic legislation with Union law in the field of climate action on the basis of that roadmap, including towards carbon pricing at an equivalent level as the Union at least insofar as the generation of electricity is concerned. The implementation of an emission trading system for electricity, with a price equivalent to the EU ETS, shall be finalised by 1 January **2028**;

(f) the third country or territory has put in place an effective systems to prevent indirect import of electricity in the Union from other third countries not meeting the requirements set out in points (a) to (e).

8. A third country or territory satisfying the conditions set out in paragraph 7, points (a) to (f), shall be listed in Annex II, Section B, of this Regulation, and shall submit **three comprehensive** reports on the fulfilment of the conditions pursuant to paragraph 7, points (a) to (f), one before 1 July **2024**, **one before 1 July 2027** and another before 1 July 2029. By 31 December **2024**, **by 31 December 2027** and by 31 December 2029, the Commission shall assess, notably on the basis of the roadmap pursuant to paragraph 7, point (c), and the reports received from the third country or territory, whether that third country or territory continues to respect the conditions set out in paragraph 7.

9. A third country or territory listed in Annex II, Section B of this Regulation, shall be removed from that list:

(a) if the Commission has reasons to consider that the country or territory has not shown sufficient progress to comply with one of the requirements listed in paragraph 7, points (a) to (f), or if the country or territory has taken action incompatible with the objectives set out in the Union climate and environmental legislation;

(b) if the third country or territory has taken steps contrary to its decarbonisation objectives, such as providing public support for the establishment of new generation capacity that emits more than 550 g of CO₂ of fossil fuel origin per kWh of electricity.

10. The Commission is empowered to adopt delegated acts in accordance with Article 28 to set out requirements and procedures for countries or territories that are deleted from the list in Annex II, Section B, to ensure the application of this Regulation to their territories with regard to electricity. If in such cases market coupling remains incompatible with the application of this Regulation, the Commission may decide to exclude the third countries or territories from Union market coupling and require explicit capacity allocation at the border between the Union and the third country, so that the CBAM can apply.

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

12. The Union, may conclude agreements with third countries with a view to take account of carbon pricing mechanisms in these countries in the application of Article 9.

10. The Commission is empowered to adopt delegated acts in accordance with Article 28 to set out requirements and procedures for countries or territories that are deleted from the list in Annex II, Section B, to ensure the application of this Regulation to their territories with regard to electricity. If in such cases market coupling remains incompatible with the application of this Regulation, the Commission may decide to exclude the third countries or territories from Union market coupling and require explicit capacity allocation at the border between the Union and the third country, so that the CBAM can apply.

b a) if the Commission has evidence that, as a result of increased exports of electricity to the Union, the emissions from electricity production in the country or territory have increased.

11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists in Annex II, Sections A or B, depending on whether the conditions in paragraphs 5, 7 or 9 are satisfied.

12. The Union, may conclude agreements with third countries with a view to take account of carbon pricing mechanisms in these countries in the application of Article 9. ***Such agreements shall not lead to undue preferential treatment of imports from the third countries as regards the CBAM certificates to be surrendered and shall take into account any carbon pricing mechanisms that are considered to be practices of circumvention within the meaning of Article 27(2).***

Or. en

Proposal for a regulation
Annex I
Text proposed by the Commission

PE704.690v01-00

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List of goods and greenhouse gases

1. For the purpose of the identification of goods, this Regulation shall apply to goods listed in the following sectors currently falling under the combined nomenclature ('CN') codes listed below, and shall be those of Council Regulation (EEC) No 2658/87 ⁽¹⁾.
2. For the purposes of this Regulation, the greenhouse gases relating to goods falling in the sectors listed below, shall be those listed below for each type of goods.

Cement

CN code	Greenhouse gas
2523 10 00 – Cement clinkers	Carbon dioxide
2523 21 00 – White Portland cement, whether or not artificially coloured	Carbon dioxide
2523 29 00 – Other Portland cement	Carbon dioxide
2523 90 00 – Other hydraulic cements	Carbon dioxide

Electricity

CN code	Greenhouse gas
2716 00 00 – Electrical energy	Carbon dioxide

Fertilisers

CN code	Greenhouse gas
2808 00 00 – Nitric acid; sulphonitric acids	Carbon dioxide and nitrous oxide
2814 – Ammonia, anhydrous or in aqueous solution	Carbon dioxide
2834 21 00 - Nitrates of potassium	Carbon dioxide and nitrous oxide
3102 – Mineral or chemical fertilisers, nitrogenous	Carbon dioxide and nitrous oxide
3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg - Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium	Carbon dioxide and nitrous oxide

Iron and Steel

CN code	Greenhouse gas
72 – Iron and steel Except: 7202 – Ferro-alloys	Carbon dioxide

¹ Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

7204 – Ferrous waste and scrap; remelting scrap ingots and steel	
7301- Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel	Carbon dioxide
7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails	Carbon dioxide
7303 00 – Tubes, pipes and hollow profiles, of cast iron	Carbon dioxide
7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel	Carbon dioxide
7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel	Carbon dioxide
7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel	Carbon dioxide
7307 – Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel	Carbon dioxide
7308 – Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock- gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	Carbon dioxide
7309 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	Carbon dioxide
7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with	Carbon dioxide

mechanical or thermal equipment	
7311 – Containers for compressed or liquefied gas, of iron or steel	Carbon dioxide

Aluminium

CN code	Greenhouse gas
7601 – Unwrought aluminium	Carbon dioxide and perfluorocarbons
7603 – Aluminium powders and flakes	Carbon dioxide and perfluorocarbons
7604 – Aluminium bars, rods and profiles	Carbon dioxide and perfluorocarbons
7605 – Aluminium wire	Carbon dioxide and perfluorocarbons
7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm	Carbon dioxide and perfluorocarbons
7607 – Aluminium foil (whether or not printed or backed with paper, paper-board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm	Carbon dioxide and perfluorocarbons
7608 – Aluminium tubes and pipes	Carbon dioxide and perfluorocarbons
7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves)	Carbon dioxide and perfluorocarbons

Amendment

List of goods and greenhouse gases

3. For the purpose of the identification of goods, this Regulation shall apply to goods listed in the following sectors currently falling under the combined nomenclature ('CN') codes listed below, and shall be those of Council Regulation (EEC) No 2658/87 ⁽²⁾.
4. For the purposes of this Regulation, the greenhouse gases relating to goods falling in the sectors listed below, shall be those listed below for each type of goods.

Cement

CN code	Greenhouse gas
2523 30 00 – Aluminous cement	Carbon dioxide
2523 10 00 – Cement clinkers	Carbon dioxide
2523 21 00 – White Portland cement, whether or not artificially coloured	Carbon dioxide
2523 29 00 – Other Portland cement	Carbon dioxide
2523 90 00 – Other hydraulic cements	Carbon dioxide

Electricity

CN code	Greenhouse gas
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² Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1).

2716 00 00 – Electrical energy	Carbon dioxide
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Fertilisers

CN code	Greenhouse gas
2808 00 00 – Nitric acid; sulphonitric acids	Carbon dioxide and nitrous oxide
2814 – Ammonia, anhydrous or in aqueous solution	Carbon dioxide
2834 21 00 - Nitrates of potassium	Carbon dioxide and nitrous oxide
3102 – Mineral or chemical fertilisers, nitrogenous	Carbon dioxide and nitrous oxide
3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg - Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium	Carbon dioxide and nitrous oxide

Iron and Steel

CN code	Greenhouse gas
72 – Iron and steel Except: 7202 – Ferro-alloys 7204 – Ferrous waste and scrap; remelting scrap ingots and steel	Carbon dioxide
7301- Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel	Carbon dioxide
7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails	Carbon dioxide
7303 00 – Tubes, pipes and hollow profiles, of cast iron	Carbon dioxide
7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel	Carbon dioxide
7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel	Carbon dioxide

7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel	Carbon dioxide
7307 – Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel	Carbon dioxide
7308 – Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel	Carbon dioxide
7309 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	Carbon dioxide
7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment	Carbon dioxide
7311 – Containers for compressed or liquefied gas, of iron or steel	Carbon dioxide

Aluminium

CN code	Greenhouse gas
7601 – Unwrought aluminium	Carbon dioxide and perfluorocarbons
7603 – Aluminium powders and flakes	Carbon dioxide and perfluorocarbons
7604 – Aluminium bars, rods and profiles	Carbon dioxide and perfluorocarbons
7605 – Aluminium wire	Carbon dioxide and perfluorocarbons
7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm	Carbon dioxide and perfluorocarbons
7607 – Aluminium foil (whether or not printed or backed with paper, paper-board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm	Carbon dioxide and perfluorocarbons
7608 – Aluminium tubes and pipes	Carbon dioxide and perfluorocarbons
7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves)	Carbon dioxide and perfluorocarbons

Chemicals

<i>CN code</i>	<i>Greenhouse gas</i>
<i>29 - Organic Chemicals</i>	<i>Carbon dioxide</i>
<i>2804 10 000 - Hydrogen</i>	<i>Carbon dioxide</i>
<i>2814 10 000 - Anhydrous ammonia</i>	<i>Carbon dioxide</i>
<i>2814 20 00 - Ammonia in aqueous solution</i>	<i>Carbon dioxide</i>

Polymers

<i>CN code</i>	<i>Greenhouse gas</i>
<i>39 - Plastics and articles thereof</i>	<i>carbon dioxide and nitrous oxide</i>

Proposal for a regulation
Recital 28

Text proposed by the Commission

(28) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union

Amendment

(28) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union. ***The Commission should establish a timeline for the gradual inclusion of all goods under the sectors covered by Directive 2003/87/EC by 1 January 2030. Priority should be given to goods that are most exposed to carbon leakage and are most carbon intensive.***

Proposal for a regulation
recital (30)

Text proposed by the Commission

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, organic basic chemicals, and fertilisers.

Amendment

(30) The use of the first criterion allows listing the following industrial sector in terms of cumulated emissions: iron and steel, refineries, cement, ***aluminium,*** organic basic chemicals, ***hydrogen,*** ***polymers,*** and fertilisers.

**Proposal for a regulation
recital (32)**

Text proposed by the Commission

(32) *In particular, organic chemicals are not included in the scope of this Regulation due to technical limitations that do not allow to clearly define the embedded emissions of imported goods. For these goods the applicable benchmark under the EU ETS is a basic parameter, which does not allow for an unambiguous allocation of emissions embedded in individual imported goods. A more targeted allocation to organic chemicals will require more data and analysis.*

Amendment

deleted

**Proposal for a regulation
recital (33)**

Text proposed by the Commission

(33) *Similar* technical constraints apply to refinery products, for which it is not possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output.

Amendment

(33) *Some* technical constraints apply to refinery products, for which it is not possible to unambiguously assign GHG emissions to individual output products. At the same time, the relevant benchmark in the EU ETS does not directly relate to specific products, such as gasoline, diesel or kerosene, but to all refinery output. ***In order to extend the scope of this Regulation in a timely manner, the Commission should develop a fair methodology to calculate embedded emissions from refinery products before the end of the transition phase.***

**Proposal for a regulation
Recital 35**

Text proposed by the Commission

Amendment

(35) Similarly, tubes and pipe fittings should be included in the scope of the CBAM despite their low level of embedded emissions, as their exclusion would increase the likelihood of circumventing the enclosure of steel products in the CBAM by modifying the pattern of trade towards downstream products.

(35) Similarly, tubes and pipe fittings should be included in the scope of the CBAM despite their low level of embedded emissions, as their exclusion would increase the likelihood of circumventing the enclosure of steel products in the CBAM by modifying the pattern of trade towards downstream products.

Proposal for a regulation
Recital 36

Text proposed by the Commission

Amendment

(36) Conversely, this Regulation should not apply to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code 7204), ferro-alloys (CN code 7202) and certain fertilisers (under CN code 3105 60 00).

(36) Conversely, this Regulation should not apply **at a first stage** to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code 7204), ferro-alloys (CN code 7202) and certain fertilisers (under CN code 3105 60 00).

Proposal for a regulation
Recital 37

Text proposed by the Commission

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition would increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours would increase the risk of carbon leakage due to increased imports of electricity, a significant part of which is produced by coal-fired power plants.

Amendment

(37) Import of electricity should be included in the scope of this Regulation, as this sector is responsible for 30 per cent of the total GHG emissions in the Union. The enhanced Union climate ambition would increase the gap in carbon costs between electricity production in the Union and abroad. That increase combined with the progress in connecting the Union electricity grid to that of its neighbours would increase the risk of carbon leakage due to increased imports of electricity, a significant part of which is produced by coal-fired power plants.

Compromise Amendment 3 (application for an authorisation)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 650, 682, 683, ECON 50, 37, 684, 685, ECON 52, ECON 53 and ECON 54

Proposal for a regulation

Article 3 – paragraph 1 – point 13

Text proposed by the Commission

(13) ‘declarant’ means a person lodging a customs declaration for release for free circulation in its own name or the person in whose name such a declaration is lodged in accordance with Regulation (EU) No 952/2013;

Amendment

(13) ‘declarant’ means a person lodging a customs declaration for release for free circulation in its own name or the person in whose name such a declaration is lodged in accordance with Regulation (EU) No 952/2013;

Or. en

Proposal for a regulation

Article 5

Text proposed by the Commission

Article 5

Application for an authorisation

1. Any declarant shall, prior to importing goods as referred to in Article 2, apply to the **competent** authority at the place where it is established, for an authorisation to import those goods into the customs territory of the Union.
2. By way of derogation from paragraph 1, where transmission capacity for the import of electricity is allocated via explicit capacity allocation, the person to which capacity has been allocated for import and which nominates this capacity for import shall, for the purposes of this Regulation, be regarded as an authorised declarant in the Member State where the person declares the import of electricity. Imports are to be measured per border

Amendment

Article 5

Application for an authorisation

1. Any declarant shall, prior to importing goods as referred to in Article 2, apply to the **CBAM** authority at the place where it is established, for an authorisation to import those goods into the customs territory of the Union.
2. By way of derogation from paragraph 1, where transmission capacity for the import of electricity is allocated via explicit capacity allocation, the person to which capacity has been allocated for import and which nominates this capacity for import shall, for the purposes of this Regulation, be regarded as an authorised declarant in the Member State where the person declares the import of electricity. Imports are to be measured per border

for time periods not longer than one hour and no deduction of export or transit in the same hour is possible.

3. The application for an authorisation shall include the following information about the declarant which must be established in the Union:
 - (a) name, addresses and contact information;
 - (b) Economic Operators Registration and Identification number ('EORI') in accordance with Article 9 of Regulation (EU) No 952/2013;
 - (c) main economic activity carried out in the Union;
 - (d) certification by the tax authority in the Member State, where the declarant is established, that the declarant is not subject to an outstanding recovery order for national tax debts;
 - (e) declaration on honour that the declarant was not involved in any serious infringements or repeated infringements of customs legislation, taxation rules and 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;
 - (f) information necessary to demonstrate the declarant'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 three last financial years for which the accounts were closed;
 - (g) estimated monetary value and volume of imports of goods to the customs territory of the Union by the type of goods, for the calendar year during

for time periods not longer than one hour and no deduction of export or transit in the same hour is possible.

3. The application for an authorisation shall include the following information about the declarant which must be established in the Union:
 - (a) name, addresses and contact information;
 - (b) Economic Operators Registration and Identification number ('EORI') in accordance with Article 9 of Regulation (EU) No 952/2013;
 - (c) main economic activity carried out in the Union;
 - (d) certification by the tax authority in the Member State, where the declarant is established, that the declarant is not subject to an outstanding recovery order for national tax debts;
 - (e) declaration on honour that the declarant *or, where applicable, a board member of the declarant* was not involved in any serious infringements or repeated infringements of customs legislation, taxation rules and market abuse rules during the five years preceding the year of the application, including that it has no record of criminal offences relating to *the declarant's* economic activity;
 - (f) information necessary to demonstrate the declarant's financial and operational capacity to fulfil its obligations under this Regulation and, if decided by the *CBAM* 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 three last financial years for which the accounts were closed;
 - (g) estimated monetary value and volume of imports of goods to the customs

which the application is submitted and for the following calendar year;

- (h) names and contact information of the persons on behalf of whom the declarant is acting, if applicable.
- 4. The applicant may at any time withdraw its application.
- 5. The authorised declarant shall inform the *competent* authority without delay of any changes of the information provided under paragraph 3, arising after the decision was taken, which may influence the decision taken pursuant to Article 17 or content of the authorisation in accordance with Article 17.
- 6. The Commission is empowered to adopt implementing acts, concerning the standard format of the application and the delays and procedure to be followed by the *competent* authority when processing applications for authorisation in accordance with paragraph 1 and the rules for identification by the *competent* authority of the declarants for the importation of electricity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

territory of the Union by the type of goods, for the calendar year during which the application is submitted and for the following calendar year;

- (h) names and contact information of the persons on behalf of whom the declarant is acting, if applicable.
- 4. The applicant may at any time *modify or* withdraw its application.
- 5. The authorised declarant shall inform the *CBAM* authority without delay of any changes of the information provided under paragraph 3, arising after the decision was taken, which may influence the decision taken pursuant to Article 17 or content of the authorisation in accordance with Article 17.
- 6. The Commission is empowered to adopt implementing acts, concerning the standard format of the application and the delays and procedure to be followed by the *CBAM* authority when processing applications for authorisation in accordance with paragraph 1 and the rules for identification by the *CBAM* authority of the declarants for the importation of electricity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Compromise Amendment 4 (CBAM Declaration)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 691, 693, 692, 694, 695, ITRE 47, 697 and 409 fall

Proposal for a regulation

Article 6

Text proposed by the Commission

Amendment

Article 6
CBAM declaration

Article 6
CBAM declaration

1. By 31 May of each year, each authorised declarant shall submit a declaration ('CBAM declaration'), for the calendar year preceding the declaration, to the *competent* authority.

2. The CBAM declaration shall contain the following:

(a) the total quantity of each type of goods imported during the calendar year preceding the declaration, expressed in megawatt hours for electricity and in tonnes for other goods;

(b) the total embedded emissions, expressed in tonnes of CO₂e emissions per megawatt-hour of electricity or for other goods per tonne of CO₂e emissions per tonne of each type of goods, calculated in accordance with Article 7;

(c) the total number of CBAM certificates corresponding to the total embedded emissions, to be surrendered, after the reduction due on the account of the carbon price paid in a country of origin in accordance with Article 9 and the adjustment necessary of the extent to which EU ETS allowances are allocated free of charge in accordance with Article 31.

1. By 31 May of each year, each authorised declarant shall submit a declaration ('CBAM declaration'), for the calendar year preceding the declaration, to the **CBAM** authority.

2. The CBAM declaration shall contain the following:

(a) the total quantity of each type of goods imported during the calendar year preceding the declaration, expressed in megawatt hours for electricity and in tonnes for other goods;

(b) the total embedded emissions, expressed in tonnes of CO₂e emissions per megawatt-hour of electricity or for other goods per tonne of CO₂e emissions per tonne of each type of goods, calculated in accordance with Article 7;

(c) the total number of CBAM certificates corresponding to the total embedded emissions, to be surrendered, after the reduction due on the account of the carbon price paid in a country of origin in accordance with Article 9 and the adjustment necessary of the extent to which EU ETS allowances are allocated free of charge in accordance with Article 31;

(ca) a copy of the verification report issued by the verifier under Article 8 and Annex V.

3. Where the imported goods are processed products resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013, the authorised declarant shall report in the CBAM declaration the total emissions embedded in the goods placed under the inward processing procedure that are listed in Annex I to this Regulation, even if the processed product is not listed in that Annex.

4. Where the imported goods are processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013, the authorised declarant shall report in the CBAM declaration only the emissions of the processing operation undertaken outside the customs territory of the Union, provided that the processed product is listed in Annex I to this Regulation.

5. Where the imported goods are returned goods as referred to in Article 203 of Regulation (EU) No 952/2013, the authorised declarant shall report separately, in the CBAM declaration, 'zero' for the total embedded emissions corresponding to those goods.

6. The Commission is empowered to adopt implementing acts concerning the standard format and the procedure for submitting the CBAM declaration and the arrangements for surrendering CBAM certificates provided for in paragraph 2, point (c). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

3. Where the imported goods are processed products resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013, the authorised declarant shall report in the CBAM declaration the total emissions embedded in the goods placed under the inward processing procedure that are listed in Annex I to this Regulation, even if the processed product is not listed in that Annex.

4. Where the imported goods are processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013, the authorised declarant shall report in the CBAM declaration only the emissions of the processing operation undertaken outside the customs territory of the Union, provided that the processed product is listed in Annex I to this Regulation.

5. Where the imported goods are returned goods as referred to in Article 203 of Regulation (EU) No 952/2013, the authorised declarant shall report separately, in the CBAM declaration, 'zero' for the total embedded emissions corresponding to those goods.

6. The Commission is empowered to adopt implementing acts concerning the standard format and the procedure for submitting the CBAM declaration and the arrangements for surrendering CBAM certificates provided for in paragraph 2, point (c). Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Proposal for a regulation
Recital 39

Text proposed by the Commission

(39) The CBAM should be based on a declarative system where an authorised declarant, who may represent more than one importer, submits annually a declaration of the embedded emissions in the goods imported to the customs territory of the Union and surrenders a number of CBAM certificates corresponding to those declared emissions.

Amendment

(39) The CBAM should be based on a declarative system where an authorised declarant, who may represent more than one importer, submits annually a declaration of the embedded emissions in the goods imported to the customs territory of the Union and surrenders a number of CBAM certificates corresponding to those declared emissions.

Compromise Amendment 5 (Indirect Emissions)

S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 662, 663, ITRE 45, 34, AGRI 31, 636, 637, 652, 653, 33, ECON 47, 654, 658, ECON 49, 664, 698, 699, 700, 702, 704, ITRE 48, 703, 706, 42, ITRE 51, 707, 709, 716, 717, 718, 719, ITRE 52, 44, 720, 721, 722, ECON 58, ITRE 50, ITRE 49, ECON 129, 1261, 1262, 121, 1263, 1264, 1265, 122, 1266, 123, 124, 125, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, ECON 15, 8, 387, 388, 389, 390, ECON 23, 15, 417, 418 and 484

Proposal for a regulation

Article 3 - paragraph 1 - point 3

Text proposed by the Commission

(3) ‘emissions’ mean the release of greenhouse gases into the atmosphere from the production of goods;

Amendment

(3) ‘emissions’ mean the release of greenhouse gases into the atmosphere from the production of goods;

Proposal for a regulation

Article 3 - paragraph 1 - point 15

Text proposed by the Commission

(15) ‘direct emissions’ mean emissions from the production processes of goods over which the producer has direct control;

Amendment

(15) ‘direct emissions’ mean emissions from the production processes of goods over which the producer has direct control, ***including emissions from the production of heating and cooling consumed during the production processes;***

Proposal for a regulation

Article 3 - paragraph 1 - point 16

Text proposed by the Commission

(16) ‘embedded emissions’ mean direct emissions released during the production of goods, calculated pursuant to the methods set out in Annex III;

Proposal for a regulation
Article 3 - paragraph 1 - point 22

Text proposed by the Commission

(22) ‘actual emissions’ mean the emissions calculated based on primary data from the production processes of goods;

Proposal for a regulation
Article 3 – paragraph 1 – point 28

Text proposed by the Commission

(28) ‘indirect emissions’ mean emissions from the production of electricity, **heating and cooling**, which is consumed during the production processes of goods.

Proposal for a regulation
Article 7

Text proposed by the Commission

1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex III.

Amendment

(16) ‘embedded emissions’ mean direct **and indirect** emissions released during the production of goods and **the electricity consumed during the production processes of goods**, calculated pursuant to the methods set out in Annex III;

Amendment

(22) ‘actual emissions’ mean the emissions calculated **and verified** based on primary data from the production processes of goods **and from the production of electricity consumed during the production processes of goods**;

Amendment

(28) ‘indirect emissions’ mean **greenhouse gas** emissions from the production **processes** of electricity which is consumed during the production processes of goods;

Or. en

Amendment

1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex III.

2. Embedded emissions in goods other than electricity shall be determined based on the actual emissions in accordance with the methods set out in Annex III, points 2 and 3. When actual emissions cannot be adequately determined, the embedded emissions shall be determined by reference to default values in accordance with the methods set out in Annex III, point 4.1.

3. Embedded emissions in imported electricity shall be determined by reference to default values in accordance with the method set out in Annex III, point 4.2, unless the authorised declarant chooses to determine the embedded emissions based on the actual emissions in accordance with that annex, point 5.

4. The authorised declarant shall keep records of the information required to calculate the embedded emissions in accordance with the requirements laid down in Annex IV. Those records shall be sufficiently detailed to enable verifiers accredited pursuant to Article 18 to verify the embedded emissions in accordance with Article 8 and Annex V and to enable the competent authority to review the CBAM declaration in accordance with Article 19(1).

5. The authorised declarant shall keep those records of information referred to in paragraph 4, including the report of the verifier, until the end of the fourth year after the year in which the CBAM declaration has been or should have been submitted.

6. The Commission is empowered to adopt implementing acts concerning **detailed rules regarding** the elements of the calculation methods set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and default

2. Embedded emissions in goods other than electricity shall be determined based on the actual emissions in accordance with the methods set out in Annex III, points 2 and 3. When actual emissions cannot be adequately determined, the embedded emissions shall be determined by reference to default values in accordance with the methods set out in Annex III, point 4.1.

3. Embedded emissions in imported electricity shall be determined by reference to default values in accordance with the method set out in Annex III, point 4.2, unless the authorised declarant chooses to determine the embedded emissions based on the actual emissions in accordance with that annex, point 5.

4. The authorised declarant shall keep records of the information required to calculate the embedded emissions in accordance with the requirements laid down in Annex IV. Those records shall be sufficiently detailed to enable verifiers accredited pursuant to Article 18 to verify the embedded emissions in accordance with Article 8 and Annex V and to enable the competent authority to review the CBAM declaration in accordance with Article 19(1).

5. The authorised declarant shall keep those records of information referred to in paragraph 4, including the report of the verifier, until the end of the fourth year after the year in which the CBAM declaration has been or should have been submitted. ***Those records shall be sufficiently detailed to enable the accredited verifiers to verify the embedded emissions in accordance with Article 8 and to enable the CBAM authority to review the CBAM declaration in accordance with Article 19(1). The authorised declarant shall keep those records for the period referred to in Article 19(1) in which the CBAM authority may review the CBAM declaration.***

6. The Commission is empowered to adopt implementing acts concerning the elements of the calculation methods set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and default values and their respective

values and their respective application to individual goods as well as laying down methods to ensure the reliability of data on the basis of which the default values shall be determined, including the level of detail and the verification of the data. Where necessary, those acts shall provide that the default values can be adapted to particular areas, regions or countries to take into account specific objective factors such as geography, natural resources, market conditions, prevailing energy sources, or industrial processes. The implementing acts shall build upon existing legislation for the verification of emissions and activity data for installations covered by Directive 2003/87/EC, in particular Implementing Regulation (EU) No 2018/2067.

7. The implementing acts referred to in paragraph 6 shall be adopted in accordance with the examination procedure referred to in Article 29(2).

application to individual goods as well as laying down methods to ensure the reliability of data on the basis of which the default values shall be determined, including the level of detail and the verification of the data. Where necessary, those acts shall provide that the default values can be adapted to particular areas, regions or countries to take into account specific objective factors such as geography, natural resources, market conditions, prevailing energy sources, or industrial processes. The implementing acts shall build upon existing legislation for the verification of emissions and activity data for installations covered by Directive 2003/87/EC, in particular Implementing Regulation (EU) No 2018/2067.

7. The implementing acts referred to in paragraph 6 shall be adopted in accordance with the examination procedure referred to in Article 29(2).

7a. The Commission is empowered to adopt delegated acts in accordance with Article 28 supplementing this Regulation regarding the definition of a method of calculating embedded indirect emissions for simple and complex products and relevant default values, as well as a method of determining the CBAM price of indirect embedded emissions.

Proposal for a regulation Annex III point 1 - point 3

Text proposed by the Commission

[...]

2. Determination of actual **direct** embedded emissions for simple goods

[...]

For determining the specific actual embedded emissions of simple goods produced in a given installation, **only** direct

Amendment

[...]

2. Determination of actual embedded emissions for simple goods

[...]

For determining the specific actual embedded emissions of simple goods produced in a given installation, **both** direct

emissions shall be accounted for. For this purpose, the following equation is to be applied:

$$AttrEm_g = DirEm$$

[...]

‘Attributed emissions’ mean the part of the installation’s *direct* emissions during the reporting period that are caused by the production process resulting in goods *g* when applying the system boundaries of the process defined by the implementing acts adopted pursuant to Article 7(6). The attributed emissions shall be calculated using the following equation: $AttrEm_g = DirEm$

[...]

3. Determination of actual *direct* embedded emissions for complex goods

and indirect emissions shall be accounted for. For this purpose, the following equation is to be applied:

$$Attr_g = DirEm + Em_{el} - Em_{el,exp}$$

‘Attributed emissions’ mean the part of the installation’s emissions during the reporting period that are caused by the production process resulting in goods *g* when applying the system boundaries of the process defined by the implementing acts adopted pursuant to Article 7(6). The attributed emissions shall be calculated using the following equation: $AttrEm_g = DirEm$

3. Determination of actual embedded emissions for complex goods

Or. en

Proposal for a regulation

Recital 17

Text proposed by the Commission

(17) The GHG emissions to be regulated by the CBAM should correspond to those GHG emissions covered by Annex I to the EU ETS in Directive 2003/87/EC, namely carbon dioxide (‘CO₂’) as well as, where relevant, nitrous oxide (‘N₂O’) and perfluorocarbons (‘PFCs’). The CBAM should *initially* apply to direct emissions of those GHG from the production of goods up to the time of import into the customs territory of the Union, *and after the end of a transition period and upon further assessment*, as well to indirect emissions, mirroring the scope of the EU ETS.

Amendment

(17) The GHG emissions to be regulated by the CBAM should correspond to those GHG emissions covered by Annex I to the EU ETS in Directive 2003/87/EC, namely carbon dioxide (‘CO₂’) as well as, where relevant, nitrous oxide (‘N₂O’) and perfluorocarbons (‘PFCs’). The CBAM should *reflect future revisions of the EU ETS in terms of regulated GHG emissions*. *The CBAM should* apply to direct emissions of those GHG from the production of goods up to the time of import into the customs territory of the Union as well to indirect emissions, mirroring the scope of the EU ETS. *Coherence between the CBAM and the EU ETS is essential to respect the principles of the WTO.*

Proposal for a regulation
Recital 34

Text proposed by the Commission

(34) **However**, aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM **may be extended to cover** also indirect emissions **in the future**.

Proposal for a regulation
Recital 45

Text proposed by the Commission

(45) The physical characteristics of electricity as a product, in particular the impossibility to follow the actual flow of electrons, justifies a slightly different design for the CBAM. **Default values should be used as a standard approach** and it should be possible for authorised declarants to claim the calculation of their CBAM obligations based on actual emissions. Electricity trade is different from trade in other goods, notably because it is traded via interconnected electricity grids, using power exchanges and specific forms of trading. Market coupling is a densely regulated form of electricity trade which allows to aggregate bids and offers across the Union.

Amendment

(34) Aluminium products should be included in the CBAM as they are highly exposed to carbon leakage. Moreover, in several industrial applications they are in direct competition with steel products because of characteristics closely resembling those of steel products. Inclusion of aluminium is also relevant as the scope of the CBAM also **covers** indirect emissions.

Amendment

(45) The physical characteristics of electricity as a product, in particular the impossibility to follow the actual flow of electrons, justifies a slightly different design for the CBAM. It should be possible for authorised declarants to claim the calculation of their CBAM obligations based on actual **verified** emissions. **Default values should only be used if data on actual emissions is unavailable**. Electricity trade is different from trade in other goods, notably because it is traded via interconnected electricity grids, using power exchanges and specific forms of trading. Market coupling is a densely regulated form of electricity trade which allows to aggregate bids and offers across the Union.

Compromise Amendment 6 (Verification of emissions)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments: 651, 669, ITRE 53, 724, 727, 728, 45, 729, 730, ITRE 54, 731, 46, 732, 733, 734, 735, 736, 738, ITRE 55, ECON 59, 47, 742, 744, 745, 48, 746, 750, 751, 752, 753, 754, 755, 756, 757, ITRE 56, ECON 60, 49, AGRI 33, 760, 761, 762, 763, 765, 766, 764, ITRE 58, 901, 902, 903, 904, 905, 906, 907, 908, ITRE 106, 909, 910, 911, 912, 913, 914, ECON 82, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 335 and 339

Proposal for a regulation

Article 3 – paragraph 1 – point 14

Text proposed by the Commission

(14) ‘person’ means a natural person, a legal person and any association of persons which is not a legal person but which is recognised under Union or national law as having the capacity to perform legal acts;

Amendment

(14) ‘person’ means a natural person, a legal person and any association of persons which is not a legal person but which is recognised under Union or national law as having the capacity to perform legal acts;

Proposal for a regulation

Article 8 - Verification of embedded emissions

Text proposed by the Commission

1. The authorised CBAM declarant shall ensure that the total embedded emissions declared in the CBAM declaration submitted pursuant to **Article 6** are verified by a verifier accredited pursuant to Article 18, based on the verification principles set out in Annex V.

2. For embedded emissions in goods produced in registered installations in a third country in accordance with Article 10, the

Amendment

1. The authorised CBAM declarant shall ensure that the total embedded emissions declared in the CBAM declaration submitted pursuant to **Articles 6 and 35, as well as the methodology and supporting data and documents**, are verified by a verifier accredited pursuant to Article 18, based on the verification principles set out in Annex V.

1.a The CBAM authority is authorised to verify the accuracy of the information in the CBAM declaration according to this Article.

2. For embedded emissions in goods produced in registered installations in a third country in accordance with Article 10, the

authorised CBAM declarant may choose to use verified information disclosed to it in accordance with Article 10(7) to fulfil the obligation referred to in paragraph 1.

3. The Commission is empowered to adopt **implementing** acts concerning the principles of verification referred to in paragraph 1 as regards the possibility to waive the obligation for the verifier to visit the installation where relevant goods are produced and the obligation to set thresholds for deciding whether misstatements or non-conformities are material and concerning the supporting documentation needed for the verification report.

The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).

authorised CBAM declarant may choose to use verified information disclosed to it in accordance with Article 10(7) to fulfil the obligation referred to in paragraph 1.

3. The Commission is empowered to adopt **delegated acts in accordance with Article 28 supplementing this Regulation** concerning the principles of verification referred to in paragraph 1 as regards the possibility to waive the obligation for the verifier to visit the installation where relevant goods are produced and the obligation to set thresholds for deciding whether misstatements or non-conformities are material and concerning the supporting documentation needed for the verification report.

The possibility to waive the obligation for the verifier to visit the installation where relevant goods are produced may only be used in duly justified circumstances where the installation has a well-known standard profile regarding production and technology, allowing for a reliable estimation of embedded emissions. In any case, the CBAM authority shall remain authorised to verify the accuracy of the information provided in the CBAM declaration. The provisions laid down in such delegated acts shall be equivalent to those in Implementing Regulation (EU) 2018/2067.

Proposal for a regulation

Article 9

Text proposed by the Commission

Article 9

Carbon price paid in a country

1. An authorised declarant may claim in its CBAM declaration a reduction in the number of CBAM certificates to be surrendered in order for the carbon price paid in the country of origin for the declared embedded emissions to be taken into account.

2. The authorised declarant shall keep records of the documentation, certified by **an independent person**, required to demonstrate that the declared embedded emissions were subject to a carbon price in the country of origin of the goods and keep evidence of the proof of the actual payment for that carbon price which should not have been subject to an export rebate or any other form of compensation on exportation.

3. The authorised declarant shall keep those records referred to in paragraph 2 until the end of the fourth year after the year during which the CBAM declaration has been or should have been submitted.

4. The Commission is empowered to adopt implementing acts establishing the methodology for calculating the reduction in the number of CBAM certificates to be surrendered, regarding the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate in accordance with paragraph 1, and regarding the qualifications of the **independent person** certifying the information as well as elements of proof of the carbon price paid and the absence of export rebates or other forms of compensation on exportation being applied as referred to in paragraph 2. Those implementing

Amendment

Article 9

Explicit carbon price paid in a country

1. An authorised declarant may claim in its CBAM declaration a reduction in the number of CBAM certificates to be surrendered in order for the **explicit** carbon price paid in the country of origin for the declared embedded emissions to be taken into account. **That reduction may also be 100 % if the carbon price paid in the country of origin is equivalent to or higher than the Union carbon price.**

2. The authorised declarant shall keep records of the documentation, certified by **an accredited verifier**, required to demonstrate that the declared embedded emissions were subject to **an explicit** carbon price in the country of origin of the goods and keep evidence of the proof of the actual payment for that carbon price which should not have been subject to an export rebate or any other form of **direct or indirect** compensation on exportation. **The name and contact details of the accredited verifier shall appear on the documentation. The authorised declarant shall transmit such documentation to the CBAM authority.**

3. The authorised declarant shall keep those records referred to in paragraph 2 until the end of the fourth year after the year during which the CBAM declaration has been or should have been submitted.

4. The Commission is empowered to adopt implementing acts establishing the methodology for calculating the reduction in the number of CBAM certificates to be surrendered, regarding the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate in accordance with paragraph 1, and regarding the qualifications of the **accredited verifier** certifying the information as well as elements of proof of the carbon price paid and the absence of export rebates or other forms of **direct and indirect** compensation on exportation being applied as referred to in

acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Proposal for a regulation Article 18

Text proposed by the Commission

Article 18 Accreditation of verifiers

1. Any person accredited pursuant to Implementing Regulation (EU) No 2018/2067 shall be regarded as an accredited verifier under this Regulation.

2. In addition to paragraph 1, a national accreditation body may on request accredit a person as a verifier under this Regulation after checking the documentation attesting its capacity to apply the verification principles referred to Annex V to perform the obligations of control of the embedded emissions established in Articles 8, 10 and 38.

3. The Commission is empowered to adopt delegated acts in accordance with Article 28 for the accreditation referred to in paragraph 2, specifying conditions for the control and oversight of accredited verifiers, for the withdrawal of accreditation and for mutual recognition and peer evaluation of the accreditation bodies.

Amendment

Article 18 Accreditation of verifiers

1. Any **legal** person accredited pursuant to Implementing Regulation (EU) No 2018/2067 shall be regarded as an accredited verifier under this Regulation.

deleted

3. The Commission is empowered to adopt delegated acts in accordance with Article 28 for the accreditation referred to in paragraph **I**, specifying conditions for the control and oversight of accredited verifiers, for the withdrawal of accreditation and for mutual recognition and peer evaluation of the accreditation bodies.

**Proposal for a regulation
Annex III point 4 - point 6**

Text proposed by the Commission

**4. DETERMINATION OF DEFAULT VALUES
REFERRED IN ARTICLES 7(2) AND (3)**

If actual monitoring data referring to direct emissions in accordance with points 2 and 3 cannot be adequately provided, a default value shall apply.

For the purpose of determining default values, only actual values shall be used for the determination of embedded emissions. In the absence of actual data, literature values may be used. The Commission shall publish guidance for the approach taken to correct for waste gases or greenhouse gases used as process input, before collecting the data required to determine the relevant default values for each type of goods listed in Annex I. Default values shall be determined based on the best available data. They shall be revised periodically through implementing acts based on the most up-to-date and reliable information, including on the basis of information provided by a third country or group of third countries.

Amendment

**4. DETERMINATION OF DEFAULT VALUES
REFERRED IN ARTICLES 7(2) AND (3)**

If actual monitoring data referring to direct emissions in accordance with points 2 and 3 cannot be adequately provided, a default value shall apply.

For the purpose of determining default values, only actual values ***from the country where actual emissions took place***, shall be used for the determination of embedded emissions. In the absence of actual data ***or when the use of actual data would lead to low default values favouring free-riding behaviour***, literature values may be used. The Commission shall publish guidance for the approach taken to correct for waste gases or greenhouse gases used as process input, before collecting the data required to determine the relevant default values for each type of goods listed in Annex I. Default values shall be determined based on the best available data. ***Best available data shall be based, to the extent possible, on reliable [and publicly available] information on the type of technology and processes used, plant design, origin of input materials and simple goods used in the production process, energy source and other data.*** ***Default values*** shall be revised periodically through implementing acts ***referred to in Article 7(6)*** based on the most up-to-date and reliable information, including on the basis of information provided by a third country or group of third countries.

4.1. Default values referred in Article 7(2)

When actual emissions cannot be adequately determined by the authorised declarant, default values shall be used. These values shall be set at the average emission intensity of each exporting country and for each of the goods listed in Annex I other than electricity, increased by a mark-up, the latter to be determined in the implementing acts of this Regulation. When reliable data for the exporting country cannot be applied for a type of goods, the default values shall be based on the average emission intensity of the 10 per cent worst performing EU installations for that type of goods.

4.2. Default values for imported electricity in Article 7(3)

Default values for imported electricity shall be determined based on either specific default values for a third country, group of third countries or region within a third country, or if those values are not available, on EU default values for similar electricity production in the EU, according to point 4.2.2.

4.2.1. Specific default values for a third country, group of third countries or region within a third country

Specific default values shall be based on the best data available to the Commission determining the average CO₂ emission factor in tonnes of CO₂ per megawatt-hour of price-setting sources in the third country, group of third countries or region within a third country.

[...]

4.1. Default values referred in Article 7(2)

When actual emissions cannot be adequately determined by the authorised declarant, default values shall be used. These values shall be set at the average emission intensity of ***the 10 per cent worst performing installations in*** each exporting country and for each of the goods listed in Annex I other than electricity, increased by a mark-up, the latter to be determined in the implementing acts of this Regulation. When reliable data for the exporting country cannot be applied for a type of goods, the default values shall be based on the average emission intensity of the 5 per cent worst performing EU installations for that type of goods. ***Under no circumstances default values shall be lower than the likely embedded emissions and the exporter shall not benefit from the failure to provide reliable data on actual emissions so that the default values are used***

4.2. Default values for imported electricity in Article 7(3)

Default values for imported electricity shall be determined based on either specific default values for a third country, group of third countries or region within a third country, or if those values are not available, on EU default values for similar electricity production in the EU, according to point 4.2.2.

4.2.1. Specific default values for a third country, group of third countries or region within a third country

Specific default values shall be based on ***the 10 per cent worst performing installations producing electricity in*** the third country, group of third countries or region within a third country.

[...]

Compromise Amendment 7 (registration of operators and installations)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 660, 769, 770, 771, 772, 773, 774, 775, 776, ITRE 59, ITRE 60, ITRE 61, ECON 62, ITRE 62, ITRE 63, ITRE 64, 777, 778, 779, 782, ITRE 65, ECON 63, 783, 784, 785, 786, ITRE 66, 788, ITRE 67, 787, 792, 794, ITRE 13 and ECON 25

Proposal for a regulation

Article 3 – paragraph 1 – point 25

Text proposed by the Commission

(25) ‘operator’ means any person who operates or controls an installation in a third country;

Amendment

(25) ‘operator’ means any person who operates or controls an installation in a third country;

Or. en

Proposal for a regulation

Article 10

Text proposed by the Commission

Article 10

Registration of operators and installations in third countries

The Commission shall, upon request by an operator of an installation located in a third country, register the information on that operator and on its installation in a **central database** referred to in Article 14(4).

2. The request for registration referred to in paragraph 1 shall include the following information to be included in the database upon registration:

(a) the name, address and contact details of the operator;

(b) the location of each installation including complete address and coordinates expressed in longitude and latitude including 6 decimals;

Amendment

Article 10

Registration of operators and installations in third countries

The Commission shall, upon request by an operator of an installation located in a third country, register the information on that operator and on its installation in a **CBAM registry** referred to in Article 14.

2. The request for registration referred to in paragraph 1 shall include the following information to be included in the database upon registration:

(a) the name, address and contact details of the operator;

(b) the location of each installation including complete address and coordinates expressed in longitude and latitude including 6 decimals;

(c) the main economic activity of the installation in the third country;

3. The Commission shall notify the operator on the registration in the database. The registration shall be valid for a period of five years from the date of its notification to the operator of the installation.

4. The operator shall inform the Commission without delay of any changes in the information referred to in paragraph 2 arising after the registration and the Commission shall update the relevant information.

5. The operator referred to in paragraph 1 shall be obliged to:

(a) determine the embedded emissions calculated in accordance with the methods set out in Annex III, by type of goods produced at the installation referred to in paragraph 1;

(b) ensure that the embedded emissions referred to in point (a) are verified in accordance with the verification principles set out in Annex V by a verifier accredited pursuant to Article 18;

(c) keep a copy of the verifier's report as well as records of the information required to calculate the embedded emissions in goods as laid down in Annex IV for a period of four years after the verification has been performed.

6. The records referred to in paragraph 5, point (c), shall be sufficiently detailed to enable the verification in accordance with paragraph 5, point (b), and to enable *any competent authority* to review, in accordance with Article 19(1), the CBAM

(c) the main economic activity of the installation in the third country;

3. The Commission shall notify the operator on the registration in the database. The registration shall be valid for a period of five years from the date of its notification to the operator of the installation.

4. The operator shall inform the Commission without delay of any changes in the information referred to in paragraph 2 arising after the registration and the Commission shall update the relevant information.

5. The operator referred to in paragraph 1 shall be obliged to:

(a) determine the embedded emissions calculated in accordance with the methods set out in Annex III, by type of goods produced at the installation referred to in paragraph 1;

(b) ensure that the embedded emissions referred to in point (a) are verified in accordance with the verification principles set out in Annex V by a verifier accredited pursuant to Article 18;

(c) keep a copy of the verifier's report as well as records of the information required to calculate the embedded emissions in goods as laid down in Annex IV for a period of four years after the verification has been performed.

6. The records referred to in paragraph 5, point (c), shall be sufficiently detailed to enable the verification in accordance with paragraph 5, point (b), and to enable *the CBAM* authority to review *and verify*, in accordance with Article 19(1), the CBAM

declaration made by an authorised declarant to whom the relevant information was disclosed in accordance with paragraph 8.

7. *An operator may disclose* the information on *the verification of* embedded emissions referred to in paragraph 5 *to an authorised declarant*. The authorised declarant shall be entitled to avail itself of that *disclosed* information to fulfil the obligation referred to in Article 8.

8. The operator may, at any time, ask to be deregistered from the database.

declaration made by an authorised declarant to whom the relevant information was disclosed in accordance with paragraph 8.

7. The information on *verified* embedded emissions referred to in paragraph 5 *shall be publicly accessible via the CBAM registry*. The authorised declarant shall be entitled to avail itself of that information to fulfil the obligation referred to in Article 8.

8. The operator may, at any time, ask to be deregistered from the database.

Or. en

Proposal for a regulation

Recital 42

Text proposed by the Commission

(42) The system should allow operators of production installations in third countries to register in a central database and to make their verified embedded GHG emissions from production of goods available to authorised declarants. An operator should be able to choose not to have its name, address and contact details in the central database made accessible to the public.

Amendment

(42) The system should allow operators of production installations in third countries to register in a central database and to make their verified embedded GHG emissions from production of goods available to authorised declarants. An operator should be able to choose not to have its name, address and contact details in the central database made accessible to the public.

Or. en

Compromise Amendment 8 (CBAM Certificates)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing ECON 84, ITRE 109, ECON 85, 939, AGRI 40, 941, 942, ECON 86, 82, ITRE 110, ECON 87, 83, ITRE 111, 948, ECON 88, ITRE 112, 949, ITRE 113, ECON 89, ITRE 114, ITRE 115, 954, ITRE 116, ECON 90, 944, 945, 934, 956, 955, 543 and 947

Proposal for a regulation

Article 20

Text proposed by the Commission

Chapter IV

CBAM Certificates

Article 20

Sale of CBAM certificates

1. The **competent** authority of each **Member State** shall sell CBAM certificates to declarants authorised **in that Member State** at the price calculated in accordance with Article 21.

2. The **competent** authority shall ensure that each CBAM certificate is assigned a unique unit identification code upon its creation and shall register the unique unit identification number, the price and date of sale of the certificate in the **national** registry in the account of the authorised declarant purchasing it.

Article 21

Price of CBAM certificates

1. The Commission shall calculate the price of CBAM certificates as the average price of the closing prices of EU ETS allowances on the common auction platform in accordance with the procedures laid down in Commission Regulation (EU) No 1031/2010³ for each calendar week.

Amendment

Chapter IV

CBAM Certificates

Article 20

Sale of CBAM certificates

1. The **CBAM** authority shall sell CBAM certificates to authorised declarants at the price calculated in accordance with Article 21.

2. The **CBAM** authority shall ensure that each CBAM certificate is assigned a unique unit identification code upon its creation and shall register the unique unit identification number, the price and date of sale of the certificate in the **CBAM** registry in the account of the authorised declarant purchasing it.

Article 21

Price of CBAM certificates

1. The Commission shall calculate the price of CBAM certificates as the average price of the closing prices of EU ETS allowances on the common auction platform in accordance with the procedures

³ Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and

For those calendar weeks in which there are no auctions scheduled on the common auction platform, the price of CBAM certificates shall be the average price of the closing prices of EU ETS allowances of the last week in which auctions on the common auction platform took place.

2. This average price shall be published by the Commission on its website on the first working day of the following calendar week and shall be applied from the following working day to the first working day of the following calendar week.

3. The Commission is empowered to adopt implementing acts to *further define* the methodology to calculate the average price of CBAM certificates and practical arrangements for the publication of the price. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Article 22
Surrender of CBAM certificates

1. By 31 May of each year, the authorised declarant shall surrender a number of CBAM certificates to the *competent* authority that corresponds to the embedded emissions declared in accordance with Article 6(2)(c) and verified in accordance with Article 8 for the calendar year preceding the surrender

2. For the purposes of paragraph 1, the authorised declarant shall ensure that the required number of CBAM certificates is available on its account in the *national*

laid down in Commission Regulation (EU) No 1031/2010⁴ for each calendar week.

For those calendar weeks in which there are no auctions scheduled on the common auction platform, the price of CBAM certificates shall be the average price of the closing prices of EU ETS allowances of the last week in which auctions on the common auction platform took place.

2. This average price shall be published by the Commission on its website on the first working day of the following calendar week and shall be applied from the following working day to the first working day of the following calendar week.

3. The Commission is empowered to adopt implementing acts to *implement* the methodology, *provided for in paragraph 1*, to calculate the average price of CBAM certificates and *the* practical arrangements for the publication of the price. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Article 22
Surrender of CBAM certificates

1. By 31 May of each year, the authorised declarant shall surrender a number of CBAM certificates to the *CBAM* authority that corresponds to the embedded emissions *calculated in accordance with the delegated act of Annex IIIa* and declared in accordance with Article 6(2)(c) and verified in accordance with Article 8 for the calendar year preceding the surrender.

2. For the purposes of paragraph 1, the authorised declarant shall ensure that the required number of CBAM certificates is available on its account in the *CBAM*

other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC (OJ L 302, 18.11.2010, p. 1).

⁴ Commission Regulation (EU) No 1031/2010 of 12 November 2010 on the timing, administration and other aspects of auctioning of greenhouse gas emission allowances pursuant to Directive 2003/87/EC (OJ L 302, 18.11.2010, p. 1).

registry. In addition, the authorised declarant shall ensure that the number of CBAM certificates on its account in the national registry at the end of each quarter corresponds to at least 80 per cent of the embedded emissions, determined by reference to default values in accordance with the methods set out in Annex III, in all goods it has imported since the beginning of the calendar year.

3. Where the *competent* authority finds that the number of CBAM certificates in the account of an authorised declarant is not in compliance with the obligations pursuant to paragraph 2, second sentence, that authority shall notify the adjustment and request that the authorised declarant surrenders the additional CBAM certificates within one month.

Article 23
Re-purchase of CBAM certificates

1. The *competent* authority of each *Member State* shall, on request by a declarant authorised *in that Member State*, re-purchase the excess of CBAM certificates remaining on the account of the declarant in the *national* registry after the certificates have been surrendered in accordance with Article 22. The request to re-purchase shall be submitted by 30 June of each year when CBAM certificates were surrendered.

2. The number of certificates subject to re-purchase as referred to in paragraph 1 shall be limited to one third of the total CBAM certificates purchased by the authorised declarant during the previous calendar year.

3. The re-purchase price for each CBAM certificate shall be the price paid by the authorised declarant for that certificate at the time of purchase.

registry. In addition, the authorised declarant shall ensure that the number of CBAM certificates on its account in the *CBAM* registry at the end of each quarter corresponds to at least 80 per cent of the embedded emissions, determined by reference to default values in accordance with the methods set out in Annex III, in all goods it has imported since the beginning of the calendar year.

3. Where the *CBAM* authority finds that the number of CBAM certificates in the account of an authorised declarant is not in compliance with the obligations pursuant to paragraph 2, second sentence, that authority shall notify the adjustment and request that the authorised declarant surrenders the additional CBAM certificates within one month.

Article 23
Re-purchase of CBAM certificates

1. The *CBAM* authority shall, on request by an authorised declarant, re-purchase the excess of CBAM certificates remaining on the account of the declarant in the *CBAM* registry after the certificates have been surrendered in accordance with Article 22. The request to re-purchase shall be submitted by 30 June of each year when CBAM certificates were surrendered.

2. The number of certificates subject to re-purchase as referred to in paragraph 1 shall be limited to one third of the total CBAM certificates purchased by the authorised declarant during the previous calendar year.

3. The re-purchase price for each CBAM certificate shall be the price paid by the authorised declarant for that certificate at the time of purchase.

Article 24
Cancellation of CBAM certificates

By 30 June of each year, the **competent** authority **of each Member State** shall cancel any CBAM certificates that were purchased during the year before the previous calendar year and that remained in the accounts in the **national** registry of the **declarants** authorised **in that Member State**.

Article 24
Cancellation of CBAM certificates

By 30 June of each year, the **CBAM** authority shall cancel any CBAM certificates that were purchased during the year before the previous calendar year and that remained in the accounts in the **CBAM** registry of the authorised **declarants and shall inform the authorised declarants concerned of this without undue delay**.

Or. en

Compromise Amendment 9 (Revenues)

EPP, S&D, RE, Greens/EFA

Compromise amendment replacing Amendments CA 9 BIS, 944, 945, 934, DEVE 13, 932, BUDG 12, 956, 955, 957, 958, 959, 962, 963, 964, 965, 88, 1212, 1260, 255, 296, 297, 333, 334, 510, 511, 512, 513, ECON 32, BUDG 5, 514, 515, 516, 517, 518, 519, ITRE 26, ECON 33, 26, ECON 34, AGRI 27, 529 and BUDG 7

Proposal for a regulation

Article 3 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) ‘Least developed country’ means country included in the list of such countries established by the United Nation’s Economic and Social Committee;

Proposal for a regulation

Article 24a (new)

Text proposed by the Commission

Amendment

Article 24a (new)

Revenues generated by the sale of CBAM certificates.

1. The revenues generated by the sale of CBAM certificates shall not constitute assigned revenue. This Regulation shall not prevent revenues generated by the sale of CBAM certificates from being defined as own resources in accordance with Article 311 TFEU and entered in the Union budget as general income.

2. To ensure that CBAM fulfils its aim to reduce global carbon emissions and help meet the Union’s climate objectives and international commitments, such the Paris Agreement, EU financial support is provided to support climate mitigation and adaptation in least developed countries’ including their efforts towards the de-carbonisation and transformation of their

manufacturing industries without prejudice to paragraph 1. Such funding is made available through the EU budget to contribute to international climate finance by facilitating the adaptation of the industries concerned to the new obligations established by this Regulation and complemented by technical assistance, under the condition of the full implementation and enforcement of internationally recognised labour and social rights such as the ILO core labour standards in the recipient country.

The new financial support from the EU budget should be provided under the relevant geographic and thematic program of the Neighbourhood, Development and International Cooperation Instrument established by Regulation (EU) 2021/947 of the European Parliament and of the Council^{1a} and an amount determined on a yearly basis, which should correspond at least to the level of revenues generated by the sale of CBAM certificates.

3. To ensure transparency of the use of revenues generated by the sale of CBAM certificates the Commission shall, on a yearly basis, report to the European Parliament and to the Council on how the equivalent in financial value of those revenues from the previous year has been used and how this has contributed to the decarbonisation of the manufacturing industry in the LDC's.

Or. en

Proposal for a regulation

Text proposed by the Commission

(55) As the CBAM aims to encourage cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation.

Amendment

(55) As the CBAM aims to encourage cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation. ***While the revenues generated by the sale of CBAM certificates will enter the EU budget as general income and should not be assigned to any specific EU budget expenditure, in light of the universality principle governing the EU budget, the EU should finance least developed countries' efforts towards the de-carbonisation of their manufacturing industries with an annual amount corresponding at least to the level of revenues generated by the sale of CBAM certificates. Such funding should be provided through the financial support provided by the EU to international climate finance and the relevant geographic programmes and the thematic programme Global Challenges of the Neighbourhood, Development and International Cooperation Instrument established by Regulation (EU) 2021/947 of the European Parliament and of the Council^{1a}. The necessary adjustments to the budgetary appropriation of the Instrument should be made through the EU annual budgetary procedure until 2027 and then included in the next EU Multiannual Financial Framework.***

^{1a} ***Regulation (EU) 2021/947 of the European Parliament and of the Council***

of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1).

Proposal for a regulation
Recital 61 a (new)

Text proposed by the Commission

Amendment

(61 a⁵) The CBAM Authority should be funded in a way to guarantee its viable functioning, and enabling sound financial management. Any costs of the creation and operation of the authority should be borne by the general income of the Union budget.

Alternative Compromise Amendment 9 BIS (Revenues)

The Left

Compromise amendment replacing Amendments 944, 945, 934, DEVE 13, 932, BUDG 12, 956, 955, 957, 958, 959, 962, 963, 964, 965, 88, 1212, 1260, 255, 296, 297, 333, 334, 510, 511, 512, 513, ECON 32, BUDG 5, 514, 515, 516, 517, 518, 519, ITRE 26, ECON 33, 26, ECON 34, AGRI 27, 529 and BUDG 7

Proposal for a regulation

Article 3 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) ‘Least developed country’ means country included in the list of such countries established by the United Nation’s Economic and Social Committee;

Proposal for a regulation

Article 24a (new)

Text proposed by the Commission

Amendment

Article 24a (new)

Revenues generated by the sale of CBAM certificates.

1. To ensure that CBAM fulfils its aim to reduce global carbon emissions and help meet the Union’s climate objectives and international commitments, such as the Paris Agreement, EU financial support shall be provided in order to assist climate mitigation and adaptation in Least Developed Countries, including their efforts towards the de-carbonisation of their manufacturing industries. Such funding shall be complemented by technical assistance-

The new financial support from the EU budget shall be provided through a Fund (the "CBAM Fund") for an amount determined on a yearly basis, corresponding at least the level of to the

revenues generated by the sale of CBAM certificates.

2. To ensure transparency of the use of revenues generated by the sale of CBAM certificates the Commission shall, on a yearly basis, report to the European Parliament and to the Council on how the revenues from the previous year have been used and how this has contributed to the decarbonisation of the manufacturing industry in the LDC's.

Or. en

Proposal for a regulation

Text proposed by the Commission

(55) As the CBAM aims to encourage cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation.

Amendment

(55) As the CBAM aims to encourage cleaner production processes, the EU stands ready to work with low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, the Union should support less developed countries with the necessary technical assistance in order to facilitate their adaptation to the new obligations established by this regulation. ***The EU should finance Least Developed Countries' efforts towards the de-carbonisation of their manufacturing industries with an annual amount corresponding at least to the level of revenues generated by the sale of CBAM certificates.***

Proposal for a regulation
Recital 61 a (new)

Text proposed by the Commission

Amendment

(61 a⁶) The CBAM Authority should be funded in a way to guarantee its viable functioning, and enabling sound financial management. Any costs of the creation and operation of the authority should to be borne by the general income of the Union budget.

Compromise Amendment 10 (Circumvention)

EPP, S&D, RE, Greens/EFA, ECR, The Left

Compromise amendment replacing Amendments 673, 665, 672, 986, 987, ITRE 123, 988, 989, 990, 991, 992, 994, ECON 97, 995, 996, 997, 998, 999, 1002, 1006, 1008, 1004, 1012, 1013, 1014, 1015, 1017, 1018, 1028, 1029, 1030, 1031, 1032, 1033, 1036, 1037, 1040, 1041, 1042, 1045, 1047, 1049, 1050, 1051, 1052, 1054, 1058, 1059, 1060, 1061, 1062, 1063, 1065, 1067, 1068, 1069, 1070, 1074, 1075, 960, ITRE 10, 392, 419, 421, 422, 423, 424, 425, 522, 520, 523 and 27

Proposal for a regulation

Article 3 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) ‘downstream products’ means products produced by using goods as listed in Annex I.

Proposal for a regulation

Article 27

Text proposed by the Commission

Amendment

1. The Commission shall take action, based on relevant and objective data, in accordance with this Article, to address practices of circumvention of this Regulation.

1. The Commission shall take action, based on relevant and objective data, in accordance with this Article, to address practices of circumvention of this Regulation.

2. Practices of ***circumvention include situations where a change in the pattern of trade in relation to goods included in the scope of this Regulation has insufficient*** due cause or economic justification other than avoiding obligations as laid down in this Regulation and consist ***in replacing those goods with slightly modified products, which are not included in the list of goods in Annex I but belong to a sector included in the scope of this Regulation.***

2. Practices of circumvention ***are any measures that have the objective of avoiding any of the obligations laid down in this Regulation. Those are situations which stem from a practice, process or work which has insufficient*** due cause or economic justification other than avoiding ***or mitigating*** obligations as laid down in this Regulation and ***may consist of, but are not limited to:***

(a) direct and indirect subsidies, such as favourable tax arrangements, energy pricing, export rebates or other forms of compensation on exportation, for goods covered by this Regulation in order to absorb parts or the entirety of the costs

linked to a CO2 price paid in the third country;

(b) a CO2 price paid in a third country placed only on goods to be exported to the Union;

(c) replacing those goods with slightly modified products, which are not included in the list of goods in Annex I but belong to a sector included in the scope of this Regulation;

(d) the outsourcing of production of downstream products that contain one or more of the goods listed in Annex I with the objective of avoiding the payment of the CO2 price in the Union

(e) the shipment of the product concerned via third countries where no or more favourable obligations apply; or

(f) the reorganisation by exporters or producers of their patterns and channels of sale and production, or any other kinds of dual production and sale practices.

3. A Member State or any party affected or benefitted by the situations described in paragraph 2 *may* notify the Commission *if it is confronted, over a two-month period compared with the same period in the preceding year with a significant decrease in the volume of imported goods included in the scope of this Regulation and an increase of volume of imports of slightly modified products, which are not included in the list of goods in Annex I.* The Commission shall continually monitor *any significant change of pattern of trade of goods and slightly modified products at Union level.*

4. The notification referred to in paragraph 3 shall state the reasons on which it is based and shall include relevant data and statistics *regarding the goods and products referred to in paragraph 2.*

3. A Member State or any party affected or benefitted by *any of* the situations described in paragraph 2 may notify the Commission if it is confronted with *practices of circumvention as referred to in paragraph 2. Interested parties other than directly affected parties, such as environmental organisations and non-governmental organisations, which find concrete evidence of the circumvention of this Regulation, may also notify the Commission.* The Commission shall continually monitor *with a view to identifying practices of circumvention', including by way of market surveillance or on the basis of any relevant source of information, such as submissions by and reporting from civil society organisations.*

4. The notification referred to in paragraph 3 shall state the reasons on which it is based and shall include relevant data and statistics *to support the claim of circumvention of this Regulation. The Commission shall*

initiate an investigation into such a claim set out in a notification by a Member State, an affected party or an interested party, provided that the notification meets the requirements referred to in this paragraph, or where the Commission itself determines that such an investigation is necessary. In carrying out the investigation, the Commission may be assisted by the competent authorities and customs authorities. The Commission shall conclude the investigation within nine months from the notification. Where an investigation is initiated the Commission shall notify all competent authorities.

5. Where the Commission, taking into account the relevant data, reports and statistics, including when provided by the customs authorities of Member States, has sufficient reasons to believe that the circumstances referred to in paragraph 3 are occurring in one or more Member States, it is empowered to adopt delegated acts in accordance with Article 28 to supplement the scope of this Regulation in order to include slightly modified products for anti-circumvention purposes.

5. Where the Commission, taking into account the relevant data, reports and statistics, including when provided by the customs authorities of Member States, has sufficient reasons to believe that the circumstances referred to in paragraph 2 are occurring in one or more Member States, it is empowered to adopt delegated acts in accordance with Article 28, to supplement the scope of this Regulation in order to include slightly modified products *or downstream products that contain one or more of the goods as listed in Annex I in excess of a minimum threshold* for anti-circumvention purposes.

5a. The Commission shall publish all cases of investigations of circumvention and the results thereof in an annual report. The report shall also include information on the status of ongoing appeal procedures against penalties and aggregated information on the emission intensity per country of origin for the different products listed in Annex I.

Proposal for a regulation

Recital 46

Text proposed by the Commission

Amendment

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, it should be necessary to demonstrate a firm nomination of the allocated interconnection capacity and that there is a direct contractual relation between the purchaser and the producer of the renewable electricity, or between the purchaser and the producer of electricity having lower than default value emissions.

(46) To avoid risks of circumvention and improve the traceability of actual CO₂ emissions from import of electricity and its use in goods, the calculation of actual emissions should only be permitted through a number of strict conditions. In particular, it should be necessary to demonstrate a firm nomination of the allocated interconnection capacity and that there is a direct contractual relation between the purchaser and the producer of the renewable electricity, or between the purchaser and the producer of electricity having lower than default value emissions.

Proposal for a regulation
Recital 46 a new

Text proposed by the Commission

Amendment

(46a) To reduce the risk of carbon leakage as well as to ensure a level playing field for European industry, all practices of circumvention should be prohibited. The Commission should evaluate the risk of circumvention practices in all sectors included in Annex I, especially the likelihood of transshipment, modified trade patterns towards downstream products, as well as resource shuffling, cost absorption, manipulation of emissions data, wrongful labelling of goods and slight modifications of the product so as to import a product under a different customs code. The Commission should be empowered to adopt, where appropriate, delegated acts to strengthen anti-circumvention measures

Compromise Amendment 11 (Review)

EPP, S&D, RE, ECR

Compromise amendment replacing Amendments CA 11 BIS, 655, 1215, 1105, 960, 723, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, ITRE 130, ECON 115, 100, AGRI 41, 1120, ECON 116, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, ECON 117, 101, AGRI 42, DEVE 16, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, DEVE 17, 1157, ITRE 133, 1158, 1159, 1160, 1161, 1162, 1163, ECON 118, 102, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 103, 1173, 1174, 1175, 1176, 1177, 1178, 104, 1179, 1180, 1181, 1182, 1183, 1184, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 543, 224, 226, ECON 10, 394, 398, 406, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, ITRE 20, ECON 29, 22, AGRI 22, DEVE 8, 488 and 524

Proposal for a regulation

Article 30

Text proposed by the Commission

Article 30 Review and reporting by the Commission

1. The Commission shall collect the information necessary with a view to extending the scope of this Regulation to **indirect emissions** and goods other than those listed in Annex I, and develop methods of calculating embedded emissions based on environmental footprint methods.

2. Before the end of the transitional period, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The report shall contain, in particular, the assessment of the possibilities to further extend the scope of embedded emissions **to indirect emissions and** to other goods at risk of carbon leakage than those already covered by this Regulation, as well as an assessment of the governance system. It shall also contain the

Amendment

Article 30 Review and reporting by the Commission

1. The Commission shall collect, **in consultation with relevant stakeholders**, the information necessary **for the extension of the scope to other sectors and to downstream products laid out in Article 2, paragraph 1(a) new of this Regulation,** and **for the development of** methods of calculating embedded emissions based on environmental footprint methods.

2. Before the end of the transitional period, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The **first** report shall **in particular focus on possibilities to enhance this Regulation towards the objective of a climate neutral Union by 2050 at the latest, and shall assess the possibility to further extend the scope to embedded emissions of transportation services.**

assessment of the possibility to further extend the scope to embedded emissions of transportation services as well as to goods further down the value chain and services that may be subject to the risk of carbon leakage in the future.

(2a) By 1 January 2028, the Commission shall present a second report to the European Parliament and the Council on the application of this Regulation, based on the first years of effective application from the Regulation. That report shall assess: .

a) the ability of the CBAM to reduce global carbon emissions and its contribution to global efforts towards climate adaptation

b) the functioning of the CBAM governance

c) avoided forms of circumventions

d) CBAM impact on competitiveness of the European industry including the downstream industry and on SMEs, the level of the administrative burden

e) possibilities to enhance climate actions towards a climate neutral Union by 2050

f) assess the impact of the mechanism on exports of the sectors covered by this Regulation.

(2b). The reports by the Commission shall, if appropriate, be accompanied by a legislative proposal that could adjust the CBAM factor referred to in Article 31 of this Regulation, if deemed necessary for the proper attainment of the objectives of the CBAM.

3. The report by the Commission shall, if appropriate, be accompanied by a legislative proposal.

3. After 2028, the Commission shall monitor the functioning of the CBAM and submit a report every two years to the European Parliament and to the Council on the functioning of the CBAM based on the elements laid out in paragraph 2a new.

Proposal for a regulation

Recital 52

Text proposed by the Commission

(52) The Commission should evaluate the application of this Regulation before

Amendment

(52) The Commission should **regularly** evaluate the application of this Regulation

the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to *indirect emissions*, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

and report to the European Parliament and the Council. The *reports* of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of *the first* evaluation, initiate collection of information necessary to possibly *further* extend the scope of *Annex I*, as well as to other goods and services at risk of carbon leakage, *such as downstream products*, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷. *The Commission should focus its subsequent evaluations on the impact on competitiveness of European industry and downstream industry, impact on SMEs, possible disproportionate administrative burden, possible circumvention practices, distortion in trade patterns and possibilities to enhance climate actions towards a climate neutral Union by 2050 and accompanying those evaluations, where appropriate, with legislative proposals;*

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Alternative Compromise Amendment 11 BIS (Review)

Greens/EFA, The Left

Compromise amendment replacing Amendments 655, 1215, 1105, 960, 723, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, ITRE 130, ECON 115, 100, AGRI 41, 1120, ECON 116, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, ECON 117, 101, AGRI 42, DEVE 16, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, DEVE 17, 1157, ITRE 133, 1158, 1159, 1160, 1161, 1162, 1163, ECON 118, 102, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 103, 1173, 1174, 1175, 1176, 1177, 1178, 104, 1179, 1180, 1181, 1182, 1183, 1184, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 543, 224, 226, ECON 10, 394, 398, 406, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, ITRE 20, ECON 29, 22, AGRI 22, DEVE 8, 488 and 524

Proposal for a regulation

Article 30

Text proposed by the Commission

Article 30 Review and reporting by the Commission

1. The Commission shall collect the information necessary with a view to extending the scope of this Regulation to **indirect emissions** and goods other than those listed in Annex I, and develop methods of calculating embedded emissions based on environmental footprint methods.

2. Before the end of the transitional period, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The report shall contain, in particular, the assessment of the possibilities to further extend the scope of embedded emissions **to indirect emissions and** to other goods at risk of carbon leakage than those already covered by this Regulation, as well as an assessment of the governance system. It

Amendment

Article 30 Review and reporting by the Commission

1. The Commission shall collect, **in consultation with relevant stakeholders**, the information necessary **for the extension of the scope to other sectors and to downstream products laid out in Article 2, paragraph 1(a) new of this Regulation,** and **for the development of** methods of calculating embedded emissions based on environmental footprint methods.

2. Before the end of the transitional period, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The **first** report shall **in particular focus on possibilities to enhance this Regulation towards the objective of a climate neutral Union by 2050 at the latest, and shall assess the possibility to further extend the scope to embedded emissions of transportation services.**

(2a) By 1 January 2028, the Commission

shall also contain the assessment of the possibility to further extend the scope to embedded emissions of transportation services as well as to goods further down the value chain and services that may be subject to the risk of carbon leakage in the future.

shall present a second report to the European Parliament and the Council on the application of this Regulation, based on the first years of effective application from the Regulation. That report shall assess: .

a) the ability of the CBAM to reduce global carbon emissions and its contribution to global efforts towards climate adaptation

b) the functioning of the CBAM governance

c) avoided forms of circumventions

d) CBAM impact on competitiveness of the European industry including the downstream industry and on SMEs, the level of the administrative burden

e) possibilities to enhance climate actions towards a climate neutral Union by 2050

f) assess the impact of the mechanism on exports of the sectors covered by this Regulation.

(2b). The reports by the Commission shall, if appropriate, be accompanied by a legislative proposal that could adjust the CBAM factor referred to in Article 31 of this Regulation, if deemed necessary for the earlier attainment of the CBAM objective to reduce global carbon emissions and support the implementation of the goals of the Paris Agreement.

3. After 2028, the Commission shall monitor the functioning of the CBAM and submit a report every two years to the European Parliament and to the Council on the functioning of the CBAM based on the elements laid out in paragraph 2a new.

3. The report by the Commission shall, if appropriate, be accompanied by a legislative proposal.

**Proposal for a regulation
Recital 52**

Text proposed by the Commission

(52) The Commission should evaluate the application of this Regulation before the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to **indirect emissions**, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷.

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Amendment

(52) The Commission should **regularly** evaluate the application of this Regulation and report to the European Parliament and the Council. The **reports** of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of **the first** evaluation, initiate collection of information necessary to possibly **further** extend the scope **of Annex I**, as well as to other goods and services at risk of carbon leakage, **such as downstream products**, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷. **The Commission should focus its subsequent evaluations on the impact on competitiveness of European industry and downstream industry, impact on SMEs, possible disproportionate administrative burden, possible circumvention practices, distortion in trade patterns and possibilities to enhance climate actions towards a climate neutral Union by 2050 and accompanying those evaluations, where appropriate, with legislative proposals;**

⁴⁷ Commission Recommendation 2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).

Oral Amendment (Force Majeure)

EPP, S&D, RE, Greens/EFA, ID, ECR, The Left

Proposal for a regulation

Article 30 - paragraph 3 a (new)

Text proposed by the Commission

Amendment

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3 a. On the occurrence of an unforeseeable, exceptional and unprovoked event outside the control of one or more third countries subject to CBAM, which has destructive consequences on the economic and industrial infrastructure of the countries concerned, the Commission shall assess the situation and put forward a legislative proposal, as appropriate, to amend this Regulation, by laying down the necessary provisional measures to address those exceptional circumstances.

Or. en

Proposal for a regulation

Recital 52 a (new)

Text proposed by the Commission

Amendment

xx

(52 a) In order to allow for a rapid and effective response to unforeseeable, exceptional and unprovoked circumstances that have destructive consequences for the economic and industrial infrastructure of one or more third countries subject to CBAM, the Commission should put forward a legislative proposal, as appropriate, amending this Regulation. The legislative proposal should set out the measures that are most appropriate in light of the circumstances that the third country or countries are facing, while preserving the objectives of this Regulation. Those measures should be limited in time.

Compromise Amendment 12 (Phase-out of free allowances)

S&D, RE, Greens/EFA

Compromise amendment replacing Amendments CA 12 BIS, 794, ITRE 49, 35, 546, 547, 549, 550, 553, 555, 556, 557, 558, 548, 560, 561, 562, 563, 564, 566, 567, 568, 569, 571, 572, ITRE 31, ECON 40, 29, 565, 573, 574, 1194, 1193, ECON 119, ECON 120, 1196, 1197, 105, ITRE 137, ECON 121, 1199, 1201, 1202, 1203, 1204, ITRE 138, 1205, 106, ECON 122, 1209, 1213, ITRE 139, 1200, 1207, 1208, 1210, 1211, 1212, 107, 543, 936, 687, 768, ITRE 33, ITRE 140, 1232, 1231, 1239, 1242, 1244, 216, 218, 222, 225, 228, 5, 233, 234, 246, 248, 249, 250, 252, 253, 256, 257, 258, 271, 272, 275, 278, 329, 331, 340, 341, 361, 415, 416, ECON 27, 18, 433, 434, ITRE 15 A, 443, 441, 20, 437 A, 447, 448, 449, 450, ITRE 16, 451, 452, ITRE 17, ITRE 18, 480, 481, 482, ITRE 21, 485, 486, ITRE 22, 487, 489, ITRE 24, 490, 491, 492, 23 and 494

Proposal for a regulation

Article 1 – paragraph 3

Text proposed by the Commission

3. The mechanism **will progressively become** an alternative to the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Amendment

3. The mechanism **is set to progressively replace** the mechanisms established under Directive 2003/87/EC to prevent the risk of carbon leakage, notably the allocation of allowances free of charge in accordance with Article 10a of that Directive.

Proposal for a regulation

Article 3 – paragraph 1 – point 28 a (new)

Text proposed by the Commission

Amendment

(28a) 'CBAM factor' means a factor reducing the free allocation of allowances for the installations producing the goods covered in Annex I.

Proposal for a regulation
Article 31

Text proposed by the Commission

Article 31

Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates

1. The CBAM certificates to be surrendered in accordance with Article 22 shall be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of Directive 2003/87/EC to installations producing, within the Union, the goods listed in Annex I.

Amendment

Article 31

Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates

1. The CBAM certificates to be surrendered in accordance with Article 22 shall be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of Directive 2003/87/EC to installations producing, within the Union, the goods listed in Annex I.

1a. No free allocation shall be given in relation to the production in the Union of goods listed in Annex I as from the date of application of the CBAM, as referred to in Article 36(3).

By way of derogation from the first subparagraph of this paragraph, until 31 December 2030, the production of those goods shall benefit from free allocation in reduced amounts. A CBAM factor reducing the allocation for the production of those goods shall be applied. The CBAM factor shall be equal to 100 % for the period from 1 January 2023 until 31 December 2024, 90 % in 2025, 80 % in 2026, 70 % in 2027, 50% in 2028, 25% in 2029 and reach 0 % in 2030.

The CBAM factor for goods included in this Regulation after the date of entry into force of this Regulation, in accordance with the timeline set out under Article 2(1a) (new) shall be equal to 100% the first year, 70% the second year, 40% the third year, and reach 0% after 4 years.

The reduction of free allocation shall be calculated annually as the average share of the demand for free allocation for the production of goods listed in Annex I compared to the calculated total free

allocation demand for all installations, for the relevant period referred to in Article 11(1) of Directive 2003/87/EC. The CBAM factor shall be applied.

2. The Commission is empowered to adopt **implementing acts** laying down a calculation methodology for the reduction referred to in paragraph 1. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).**

2. The Commission is empowered to adopt **delegated acts in accordance with Article 28 supplementing this Regulation** by laying down a calculation methodology for the reduction referred to in paragraph 1.

2a. Each year from 2025, as part of its annual report to the European Parliament and to the Council pursuant to Article 10(5) of Directive 2003/87/EC, the Commission shall assess the effectiveness of the CBAM in addressing the carbon leakage risk for goods produced in the Union for export to third countries which do not apply the EU ETS or a similar carbon pricing mechanism. The report shall in particular assess the development of Union exports in CBAM sectors and the developments as regards trade flows and the embedded emissions of those goods on the global market. Where the report concludes that there is a carbon leakage risk for goods produced in the Union for export to such third countries which do not apply the EU ETS or a similar carbon pricing mechanism, the Commission shall, where appropriate, present a legislative proposal to address that carbon leakage risk in a manner that is compliant with WTO rules and takes into account the decarbonisation of installations in the Union.

Proposal for a regulation
Article 36 - final provisions

Text proposed by the Commission

Amendment

Article 36
Entry into force

Article 36
Entry into force

1. This Regulation shall enter into force on the [twentieth] day following that of its publication in the *Official Journal of the European Union*.

2. It shall apply from 1 January 2023.

3. By way of derogation from paragraph 2:

(a) Articles 32 to 34 shall apply until 31 December 2025.

(b) Article 35 shall apply until 28 February 2026.

(c) Articles 5 and 17 shall apply from 1 September 2025.

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply from 1 January 2026.

1. This Regulation shall enter into force on the [twentieth] day following that of its publication in the *Official Journal of the European Union*.

2. It shall apply from 1 January 2023.

3. By way of derogation from paragraph 2:

(a) Articles 32 to 34 shall apply until 31 December 2024.

(b) Article 35 shall apply until 28 February 2025.

(c) Articles 5 and 17 shall apply from 1 September 2024.

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply from 1 January 2025.

Proposal for a regulation
Recital 50 (1st part)

Text proposed by the Commission

Amendment

(50) A transitional period should apply during the period **2023 until 2025. [...]**

(50) A transitional period should apply during the period **1 January 2023 until 31 December 2024 [...]**

Alternative Compromise Amendment 12 BIS (Phase-out of free allowances)

EPP, ECR

Compromise amendment replacing Amendments 794, ITRE 49, 35, 546, 547, 549, 550, 553, 555, 556, 557, 558, 548, 560, 561, 562, 563, 564, 566, 567, 568, 569, 571, 572, ITRE 31, ECON 40, 29, 565, 573, 574, 1194, 1193, ECON 119, ECON 120, 1196, 1197, 105, ITRE 137, ECON 121, 1199, 1201, 1202, 1203, 1204, ITRE 138, 1205, 106, ECON 122, 1209, 1213, ITRE 139, 1200, 1207, 1208, 1210, 1211, 1212, 107, 543, 936, 687, 768, ITRE 33, ITRE 140, 1231, 1239, 1242, 1244, 216, 218, 222, 225, 228, 5, 233, 234, 246, 248, 249, 250, 252, 253, 256, 257, 258, 271, 272, 275, 278, 329, 331, 340, 341, 361, 415, 416, ECON 27, 18, 433, 434, ITRE 15 A, 443, 441, 20, 437 A, 447, 448, 449, 450, ITRE 16, 451, 452, ITRE 17, ITRE 18, 480, 481, 482, ITRE 21, 485, 486, ITRE 22, 487, 489, ITRE 24, 490, 491, 492, 23 and 494

Proposal for a regulation Article 31 – paragraph 1

Text proposed by the Commission

1. The CBAM certificates to be surrendered in accordance with Article 22 shall be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of Directive 2003/87/EC to installations producing, within the Union, the goods listed in Annex I.

Amendment

1. The CBAM certificates to be surrendered in accordance with Article 22 shall be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 10a of Directive 2003/87/EC to installations producing, within the Union, the goods listed in Annex I.

Proposal for a regulation Article 31 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1 a. No free allocation shall be given in relation to the production of products listed in Annex I as as from the date of application of the CBAM, as referred to in Article 36(3)

By way of derogation from the first subparagraph, for the first years of operation of this Regulation,

the production of products listed in Annex I to that Regulation shall benefit from free allocation in reduced amounts. A factor reducing the free allocation for the production of those products shall be applied (CBAM factor). Contingent upon ensuring WTO compatibility and the avoidance of double protection, the CBAM factor shall be equal to 100 % for the period between the date of entry into force of this Regulation and the end of 2027. Contingent upon application of operational phase of this Regulation in Article 36(3)(d), the CBAM factor shall be reduced during a transitional period by 10% from 2028 until 2030 before being reduced by 17,5 percentage points each year to reach 0 % by the end of 2034.

The period from 1 January 2027 to 31 December 2027 shall be called the comprehensive transitional period. The Commission shall establish a framework by which to ensure that the measures applied during that period comply with the WTO rules. In case the comprehensive transitional period does not prove to be WTO-compatible, the administrative transitional period shall be extended until 31 December 2027 through the delayed application of Article 36(3)(d) .

Proposal for a regulation
Article 31 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Each year from 2025, as part of its annual report to the European Parliament and to the Council pursuant to Article 10(5) of Directive 2003/87/EC, the Commission shall assess the effectiveness of the CBAM in addressing the carbon leakage risk for goods produced in the Union for export to third countries which do not apply the EU ETS or a similar

carbon pricing mechanism. The report shall in particular assess the development of Union exports in CBAM sectors and the developments as regards trade flows and the embedded emissions of those goods on the global market. Where the report concludes that there is a carbon leakage risk for goods produced in the Union for export to such third countries which do not apply the EU ETS or a similar carbon pricing mechanism, the Commission shall, where appropriate, present a legislative proposal to address that carbon leakage risk in a manner that is compliant with WTO rules and takes into account the decarbonisation of installations in the Union.

Proposal for a regulation
Article 36 – paragraph 3 – point a

Text proposed by the Commission

(a) Articles 32 to 34 shall apply until 31 December **2025**.

Amendment

(a) Articles 32 to 34 shall apply until 31 December **2026**.

Proposal for a regulation
Article 36 – paragraph 3 – point b

Text proposed by the Commission

(b) Article 35 shall apply until 28 February **2026**.

Amendment

(b) Article 35 shall apply until 28 February **2027**.

Proposal for a regulation
Article 36 – paragraph 3 – point d

Text proposed by the Commission

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall

Amendment

(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall

apply from 1 January 2026.

apply from 1 January 2027.

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until **2025**. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) ***An administrative*** transitional period should apply during the period 2023 until **2026 and shall be used for data collection and analysis of the impact of CBAM on the industries concerned and to prevent the carbon leakage, with particular focus of the potential impact of the phase-out of free allocations.** A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade ***and European industry.*** Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the ***administrative*** transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Proposal for a regulation
Recital 50 a (new)

Text proposed by the Commission

Amendment

(50 a) A comprehensive transitional period should apply during the period 1 January 2027 to 31 December 2027, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disproportionate impacts on European industry. Should the comprehensive transitional period be proven to be incompatible with WTO rules, the administrative transitional period shall be extended until 31 December 2027.

Compromise Amendment 13 (Transitional provisions)

S&D, RE, Greens/EFA, The Left

Compromise amendment replacing Amendments 543, 1218, 1219, 1220, 1221, AGRI 43, ECON 123, 1226, ECON 124, 1227, ECON 125, ECON 126, AGRI 44, ECON 127, 1228, 1229, 1230, ECON 128, 115, ITRE 15 B, 437 B, ECON 28 and AGRI 17

Proposal for a regulation

Article 32

Text proposed by the Commission

Article 32

Scope

During the transitional period of this Regulation, the CBAM mechanism shall apply as a reporting obligation as set out in Articles 33 to 35.

Article 33

Importation of goods

1. A declarant importing goods shall be obliged to fulfil a reporting obligation as set out in Article 35.
2. The customs authorities shall, at the moment of the release of those goods for free circulation at the latest, inform the declarant of the obligation referred to in paragraph 1.
3. The customs authorities shall, by means of the surveillance mechanism established pursuant to Article 56(5) of Regulation (EU) No 952/2013, communicate to the **competent authority of the Member State of importation** information on imported goods, including processed products resulting from the outward processing procedure. Such information shall include the EORI number of the declarant, the 8-digit CN code, the quantity, the country of origin and the declarant of the goods, the date of declaration and the customs procedure.

Article 34

Reporting obligation for certain customs procedures

Amendment

Article 32

Scope

During the transitional period of this Regulation, the CBAM mechanism shall apply as a reporting obligation as set out in Articles 33 to 35.

Article 33

Importation of goods

1. A declarant importing goods shall be obliged to fulfil a reporting obligation as set out in Article 35.
2. The customs authorities shall, at the moment of the release of those goods for free circulation at the latest, inform the declarant of the obligation referred to in paragraph 1.
3. The customs authorities shall, by means of the surveillance mechanism established pursuant to Article 56(5) of Regulation (EU) No 952/2013, communicate to the **CBAM** authority information on imported goods, including processed products resulting from the outward processing procedure. Such information shall include the EORI number of the declarant, the 8-digit CN code, the quantity, the country of origin and the declarant of the goods, the date of declaration and the customs procedure.

Article 34

Reporting obligation for certain customs procedures

1. For processed goods resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013, the reporting obligation referred to in Article 33(1) shall include the goods placed under the inward processing procedure that are listed in Annex I to this Regulation, even if the processed product is not listed in that Annex.

2. The reporting obligation shall not apply to import of:

(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;

(b) imported goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.

Article 35 *Reporting obligation*

1. Each declarant shall, for each quarter of a calendar year, submit a report ('CBAM report') containing information on the goods imported during that quarter, to the *competent authority of the Member State of importation or, if goods have been imported to more than one Member State, to the competent authority of the Member State at the declarant's choice*, no later than one month after the end of each quarter.

2. The CBAM report shall include the following information:

(a) the total quantity of each type of goods, expressed in megawatt hours for electricity and in tonnes for other goods, specified per installation producing the goods in the country of origin;

(b) the actual total embedded emissions, expressed in tonnes of CO₂e emissions per megawatt-hour of electricity or for other goods in tonne of CO₂e emissions per tonne of each type of goods, calculated in

1. For processed goods resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013, the reporting obligation referred to in Article 33(1) shall include the goods placed under the inward processing procedure that are listed in Annex I to this Regulation, even if the processed product is not listed in that Annex.

2. The reporting obligation shall not apply to import of:

(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;

(b) imported goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.

Article 35 *Reporting obligation*

1. Each declarant shall, for each quarter of a calendar year, submit a report ('CBAM report') containing information on the goods imported during that quarter, to the *CBAM* authority, no later than one month after the end of each quarter.

2. The CBAM report shall include the following information:

(a) the total quantity of each type of goods, expressed in megawatt hours for electricity and in tonnes for other goods, specified per installation producing the goods in the country of origin;

(b) the actual total embedded *direct* emissions, expressed in tonnes of CO₂e emissions per megawatt-hour of electricity or for other goods in tonne of CO₂e emissions per tonne of each type of goods,

accordance with the method set out in Annex III;

(c) the actual total embedded indirect emissions, expressed in tonnes of CO₂e emissions per tonne of each type of other goods than electricity, calculated in accordance with a method set out in an **implementing act** referred to in paragraph 6;

(d) the carbon price due in a country of origin for the embedded emissions in the imported goods, which is not subject to an export rebate or other form of compensation on exportation.

3. The **competent** authority shall communicate the information referred to in paragraph 2 to the Commission at the latest two months after the end of the quarter covered by a report.

4. The **competent** authority shall impose a proportionate and dissuasive penalty on declarants who fail to submit a CBAM report.

5. If the **competent** authority determines that a declarant has failed to comply with the obligation to submit a CBAM report as specified in paragraph 1, the **competent** authority shall impose the penalty and notify the declarant:

(a) that the **competent** authority has concluded that the declarant fails to comply with the obligation of submitting a report for a given quarter;

(b) of the reasons for its conclusion;

(c) of the amount of the penalty imposed on the declarant;

(d) of the date from which the penalty is due;

(e) of the action the **competent** authority considers the declarant should take to comply with its obligation under point (a) depending on the facts and circumstances of the case; and

calculated in accordance with the method set out in Annex III;

(c) the actual total embedded indirect emissions, expressed in tonnes of CO₂e emissions per tonne of each type of other goods than electricity, calculated in accordance with a method set out in a **delegated act** referred to in paragraph 6;

(d) the carbon price due in a country of origin for the embedded emissions in the imported goods, which is not subject to an export rebate or other form of compensation on exportation.

3. The **CBAM** authority shall communicate the information referred to in paragraph 2 to the Commission at the latest two months after the end of the quarter covered by a report.

4. The **CBAM** authority shall impose a proportionate and dissuasive penalty on declarants who fail to submit a CBAM report.

5. If the **CBAM** authority determines that a declarant has failed to comply with the obligation to submit a CBAM report as specified in paragraph 1, the **CBAM** authority shall impose the penalty and notify the declarant:

(a) that the **CBAM** authority has concluded that the declarant fails to comply with the obligation of submitting a report for a given quarter;

(b) of the reasons for its conclusion;

(c) of the amount of the penalty imposed on the declarant;

(d) of the date from which the penalty is due;

(e) of the action the **CBAM** authority considers the declarant should take to comply with its obligation under point (a) depending on the facts and circumstances of the case; and

(f) of the right of the declarant or to appeal under national rules.

6. The Commission is empowered to adopt implementing acts concerning the information to be reported, the procedures for communicating the information referred to in paragraph 3 and the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate. The Commission is also empowered to adopt implementing acts to further define the necessary elements of the calculation method set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and their respective application to individual goods as well as laying down methods to ensure the reliability of data, including the level of detail and the verification of this data. The Commission is further empowered to adopt **implementing acts** to develop a calculation method for indirect emissions embedded in imported goods.

7. The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).

(f) of the right of the declarant or to appeal under national rules.

6. The Commission is empowered to adopt implementing acts concerning the information to be reported, the procedures for communicating the information referred to in paragraph 3 and the conversion of the carbon price paid in foreign currency into euro at yearly average exchange rate. The Commission is also empowered to adopt implementing acts to further define the necessary elements of the calculation method set out in Annex III, including determining system boundaries of production processes, emission factors, installation-specific values of actual emissions and their respective application to individual goods as well as laying down methods to ensure the reliability of data, including the level of detail and the verification of this data. The Commission is further empowered to adopt **delegated acts in accordance with Article 28 supplementing this Regulation** to develop a calculation method for indirect emissions embedded in imported goods.

7. The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Proposal for a regulation **Recital 50 (second part)**

Text proposed by the Commission

(50) [...] A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the

Amendment

(50) [...] A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the

mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

mechanism hence reducing the risk of disruptive impacts on trade ***and European industry***. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en

Compromise Amendment 14 (CBAM Authority and Governance)

EPP, S&D, RE, Greens/EFA, The Left

Compromise amendment replacing Amendments ITRE 50, ECON 48, 931, 677, 676, 661, 647, 641, 642, 643, 644, 645, 646, ITRE 44, 31, 797, 795, BUDG 8, 796, ITRE 68, 800, ITRE 69, 798, 801, 802, 803, 805, 807, 808, ITRE 71, ITRE 72, ITRE 70, 809, ECON 64, 811, 812, 813, 814, ITRE 73, ECON 65, ECON 66, 816, 817, ITRE 74, 819, 820, 821, ITRE 75, ECON 67, 822, ITRE 76, AGRI 34, 823, 824, ITRE 77, 826, ITRE 78, ECON 68, 827, ITRE 79, ECON 69, 829, ITRE 80, ITRE 81, ECON 70, ECON 71, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, ITRE 82, ECON 72, ECON 73, 841, 842, 843, 844, 845, ITRE 83, ECON 74, 846, 848, 849, ITRE 84, 850, 851, ECON 75, 852, 853, 854, ITRE 85, ECON 76, 856, ITRE 86, 857, 858, 859, ITRE 87, 860, ITRE 88, ITRE 89, ITRE 90, ECON 77, 861, ITRE 91, 862, 863, 864, ITRE 92, 865, 866, 867, 868, 869, ITRE 93, ECON 78, 870, 871, ECON 79, 872, 873, 874, 875, 876, 877, 878, ITRE 94, 879, 880, 881, ITRE 95, ECON 80, 882, 883, 884, ITRE 96, 885, 886, ITRE 97, 887, ITRE 98, 888, ITRE 99, 889, 890, ITRE 100, 891, 892, 893, 894, ITRE 101, 895, 896, ITRE 102, 897, ITRE 103, 898, 899, ITRE 104, ECON 81, 900, ITRE 105, 915, 916, 917, 918, 919, 920, ITRE 107, 922, 923, 924, 925, 926, ITRE 108, 927, 928, 929, 930, ITRE 112, 949, 966, 967, ITRE 117, ITRE 118, 971, 972, ITRE 119, ECON 91, 973, ECON 92, ECON 93, 974, 975, 976, ITRE 120, 977, 978, 979, ECON 94, 980, 981, 982, 983, ITRE 122, ECON 95, 984, 985, ECON 96, 1081, 1080, 1082, 1084, 1085, 1086, ECON 19, 342, 343, 344, 345, 346, 347, 348, ITRE 11, ECON 21, 405, ITRE 14, 453, 454, 455, ITRE 19 and AGRI 19

Proposal for a regulation

Article 3 – paragraph 1 – point 11

Text proposed by the Commission

(11) ‘*competent* authority’ means the authority, *designated by each Member State* in accordance with Article 11 of this Regulation;

Amendment

(11) ‘**CBAM** authority’ means the authority *established* in accordance with Article 11 of this Regulation;

Or. en **Proposal for a regulation**

Article 3 – paragraph 1 – point 18

Text proposed by the Commission

(18) ‘CBAM certificate’ means a certificate in electronic format corresponding to one tonne of embedded emissions in goods;

Amendment

(18) ‘CBAM certificate’ means a certificate, *common to all Member States*, in electronic format corresponding to one tonne of embedded emissions in goods;

Proposal for a regulation
Article 4 – paragraph 1

Text proposed by the Commission

Goods shall only be imported into the customs territory of the Union by a declarant that is authorised by the **competent** authority in accordance with Article 17 ('authorised declarant').

Amendment

Goods shall only be imported into the customs territory of the Union by a declarant that is authorised by the **CBAM** authority in accordance with Article 17 ('authorised declarant').

(The designation 'CBAM authority' applies throughout the text. Adopting it will necessitate corresponding changes throughout)

Or. en

Proposal for a regulation
Chapter III – title

Text proposed by the Commission

III **Competent authorities**

Amendment

The CBAM authority

Or. en

Proposal for a regulation
Article 11

Text proposed by the Commission

Article 11
Competent authorities

Each Member State shall designate the competent authority to carry out the obligations under this Regulation and inform the Commission thereof.

The Commission shall make available to the Member States a list of all competent

Amendment

Article 11
The CBAM authority

The Commission shall establish the CBAM authority to perform the obligations under this Regulation.

authorities and publish this information in the Official Journal of the European Union.

2. Member States shall require that competent authorities exchange any information that is essential or relevant to the exercise of their functions and duties

Or. en

**Proposal for a regulation
Article 12**

Text proposed by the Commission

Amendment

Article 12

deleted

Commission

The Commission shall assist the competent authorities in carrying out their obligations under this Regulation and coordinate their activities.

Or. en

**Proposal for a regulation
Article 12 a (new)**

Text proposed by the Commission

Amendment

Article 12a

Decisions of the CBAM authority

- 1. The CBAM authority shall, without delay, take decisions in order to implement this Regulation.***
- 2. A decision of the CBAM authority shall take effect from the date of notification of that decision to the addressee.***
- 3. If the CBAM authority considers that it does not have all the necessary information to take a decision, it shall contact the addressee of the decision and***

specify what additional information is required. In such a case, the addressee of the decision shall submit the required additional information to the CBAM authority without delay.

4. The addressee of the decision shall inform the CBAM authority without delay of any changes to the information provided that arise after the decision was taken. In such a case, the CBAM authority shall reassess its decision in light of that information and confirm or modify that decision.

5. Where the CBAM authority proposes to take a decision which adversely affects the addressee of the decision, it shall set out the grounds on which the proposed decision is based and shall include in the decision a reference to the right of appeal provided for in Article 27a. Before such a decision is taken, the CBAM authority shall give the addressee of the proposed decision the opportunity to make its point of view known to the CBAM authority within a fixed period of time. Following the expiry of that period, the CBAM authority shall notify the addressee of the decision.

6. The CBAM authority may, at any time, annul, revoke or amend its decision following a reasoned request by the addressee of the decision or on its own initiative, if appropriate.

7. The Commission is empowered to adopt delegated acts to supplement this Regulation by specifying further detailed arrangements and procedural rules concerning this Article. Those delegated acts shall be adopted in accordance with Article 28.

Or. en

**Proposal for a regulation
Article 13 – paragraph 1**

Text proposed by the Commission

All information acquired by the **competent** authority in the course of performing its duty which is by its nature confidential or which is provided on a confidential basis shall be covered by an obligation of professional secrecy. Such information shall not be disclosed by the **competent** authority without the express permission of the person or authority that provided it. It may be shared with customs authorities, the Commission and the European Public Prosecutors Office and shall be treated in accordance with Council Regulation (EC) No 515/97.

Amendment

All information acquired by the **CBAM** authority in the course of performing its duty which is by its nature confidential or which is provided on a confidential basis shall be covered by an obligation of professional secrecy. Such information shall not be disclosed by the **CBAM** authority without the express permission of the person or authority that provided it. It may be shared with customs authorities, the Commission and the European Public Prosecutors Office and shall be treated in accordance with Council Regulation (EC) No 515/97.

Or. en

Proposal for a regulation
Article 14

Text proposed by the Commission

Article 14

National registries and central database

1. The competent authority of each Member State shall establish a national registry of declarants authorised in that Member State in the form of a standardised electronic database containing the data regarding the CBAM certificates of those declarants, and to provide for confidentiality in accordance with the conditions set out in Article 13.

2. The database referred to in paragraph 1 shall contain accounts with information about each authorised declarant, in particular:

(a) the name and contact details of the authorised declarant;

(b) the EORI number of the authorised declarant;

Amendment

deleted

- (c) *the CBAM account number;*
- (d) *the number, the price of sale, the date of purchase, the date of surrender, or the date of re-purchase, or that of the cancellation by the competent authority, of CBAM certificates for each authorised declarant.*

3. *The information in the database referred to in paragraph 2 shall be confidential.*

4. *The Commission shall establish a central database accessible to the public containing the names, addresses and contact details of the operators and the location of installations in third countries in accordance with Article 10(2). An operator may choose not to have its name, address and contact details accessible to the public.*

Or. en

Proposal for a regulation
Article 14 a (new)

Text proposed by the Commission

Amendment

Article 14a

CBAM registry

1. *The CBAM authority shall set up a CBAM registry for the execution of processes relating to CBAM certificates, in accordance with Articles 20, 21 and 22.*
2. *The CBAM registry shall contain an electronic database with information about each authorised declarant, in particular:*
 - (a) *name and contact details;*
 - (b) *EORI number;*
 - (c) *CBAM account number;*
 - (d) *number, price and date of purchase of CBAM certificates held.*

3. The CBAM registry shall also contain, in a separate section of the database, the names and additional details of the operator and installations in third country that are registered in accordance with Article 10. That section of the database shall in particular contain the verified emissions of the installation where applicable.

4. The information on the database shall be confidential except for the names of the authorised declarants and operators, the location and, where appropriate, the name of the installations in third countries and their verified emissions , which shall be accessible to the public in an interoperable format.

5. The Commission shall adopt implementing acts concerning the infrastructure and specific processes of the CBAM registry and the electronic databases containing the information referred to in paragraphs 2 and 3. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

**Proposal for a regulation
Article 15**

Text proposed by the Commission

Amendment

Article 15

deleted

Central administrator

1. The Commission shall act as central administrator to maintain an independent transaction log recording the purchase of CBAM certificates, their holding, surrender, re-purchase and cancellation and ensure coordination of national registries.

2. *The central administrator shall carry out risk-based controls on transactions recorded in national registries through an independent transaction log to ensure that there are no irregularities in the purchase, holding, surrender, re-purchase and cancellation of CBAM certificates.*

3. *If irregularities are identified as a result of the controls carried out under paragraph 2, the Commission shall inform the Member State or Member States concerned for further investigation in order to correct the identified irregularities.*

Or. en

Proposal for a regulation Article 16 – title

Text proposed by the Commission

Amendment

Accounts in the *national registries*

Accounts in the *CBAM registry*

Or. en

Proposal for a regulation Article 16

Text proposed by the Commission

Amendment

Accounts in the *national registries*

Accounts in the *CBAM registry*

1. The *competent* authority shall assign to each authorised declarant a unique CBAM account number
2. Each authorised declarant shall be granted access to its account in the registry.
3. The *competent* authority shall set up the account as soon as the authorisation

1. The *CBAM* authority shall assign to each authorised declarant a unique CBAM account number.
2. Each authorised declarant shall be granted access to its account in the *CBAM* Registry.
3. The *CBAM* authority shall set up the account as soon as the authorisation referred to in Article 17(1) is granted and

referred to in Article 17(1) is granted and notify the authorised declarant thereof.

4. If the authorised declarant has ceased its economic activity or its authorisation was revoked, the *competent* authority shall close the account of that declarant.

notify the authorised declarant thereof.

4. If the authorised declarant has ceased its economic activity or its authorisation was revoked, the **CBAM** authority shall close the account of that declarant.

Or. en

Proposal for a regulation

Article 17

Text proposed by the Commission

Article 17

Authorisation of declarants

1. The *competent* authority shall authorise a declarant who submits an application for authorisation in accordance with Article 5(1), if the following conditions are fulfilled:

(a) the declarant has not been involved in a serious infringement or repeated infringements of customs legislation, taxation rules and market abuse rules and has no record of serious criminal offences relating to its economic activity during the five years preceding the application;

(b) the declarant demonstrates its financial and operational capacity to fulfil its obligations under this Regulation.

2. Where the *competent* authority finds that the conditions listed in paragraph 1 are not fulfilled, or where the applicant has failed to provide the information listed in Article 5(3), the authorisation of the declarant shall be refused.

3. If the competent authority refuses to authorise a declarant, the declarant requesting the authorisation may, prior to an appeal, object to the relevant authority under national law, who shall either instruct the national administrator to open

Amendment

Article 17

Authorisation of declarants

1. The **CBAM** authority shall authorise a declarant who submits an application for authorisation in accordance with Article 5(1), if the following conditions are fulfilled:

(a) the declarant has not been involved in a serious infringement or repeated infringements of customs legislation, taxation rules and market abuse rules and has no record of serious criminal offences relating to its economic activity during the five years preceding the application;

(b) the declarant demonstrates its financial and operational capacity to fulfil its obligations under this Regulation.

2. Where the **CBAM** authority finds that the conditions listed in paragraph 1 are not fulfilled, or where the applicant has failed to provide the information listed in Article 5(3), the authorisation of the declarant shall be refused.

the account or uphold the refusal in a reasoned decision, subject to requirements of national law that pursue a legitimate objective compatible with this Regulation and are proportionate.

4. A decision of the *competent* authority authorising a declarant shall contain the following information

- (a) the name and the address of the authorised declarant;
- (b) the EORI number of the authorised declarant;
- (c) the CBAM account number.

5. An authorised declarant may, at any time, ask for its authorisation to be revoked.

6. The *competent* authority shall require the provision of a guarantee in order to authorise a declarant in accordance with paragraph 1, if the declarant was not established throughout the two financial years that precede the year when the application in accordance with Article 5(1) was submitted.

The *competent* authority shall fix the amount of such guarantee at the maximum amount, as estimated by the *competent* authority, of the value of the CBAM certificates that the authorised declarant have to surrender, in accordance with Article 22.

7. The guarantee shall be provided as a bank guarantee, payable at first demand, by a financial institution operating in the Union or by another form of guarantee which provides equivalent assurance. Where the *competent* authority establishes that the guarantee provided does not ensure, or is no longer certain or sufficient to ensure the amount of CBAM obligations, it shall require the authorised declarant either to provide an additional guarantee or to replace the initial guarantee with a new guarantee, according to its choice.

8. The *competent* authority shall release the guarantee immediately after 31

4. A decision of the *CBAM* authority authorising a declarant shall contain the following information

- (a) the name and the address of the authorised declarant;
- (b) the EORI number of the authorised declarant;
- (c) the CBAM account number.

5. An authorised declarant may, at any time, ask for its authorisation to be revoked.

6. The *CBAM* authority shall require the provision of a guarantee in order to authorise a declarant in accordance with paragraph 1, if the declarant was not established throughout the two financial years that precede the year when the application in accordance with Article 5(1) was submitted.

The *CBAM* authority shall fix the amount of such guarantee at the maximum amount, as estimated by the *CBAM* authority, of the value of the CBAM certificates that the authorised declarant have to surrender, in accordance with Article 22.

7. The guarantee shall be provided as a bank guarantee, payable at first demand, by a financial institution operating in the Union or by another form of guarantee which provides equivalent assurance. Where the *CBAM* authority establishes that the guarantee provided does not ensure, or is no longer certain or sufficient to ensure the amount of CBAM obligations, it shall require the authorised declarant either to provide an additional guarantee or to replace the initial guarantee with a new guarantee, according to its choice.

May of the second year in which the authorised declarant has surrendered CBAM certificates in accordance with Article 22.

9. The **competent** authority shall revoke the authorisation for a declarant who no longer meets the conditions laid down in paragraph 1, or who fails to cooperate with that authority.

8. The **CBAM** authority shall release the guarantee immediately after 31 May of the second year in which the authorised declarant has surrendered CBAM certificates in accordance with Article 22.

8a. The CBAM authority may verify the accuracy and completeness of the information given by the applicant in accordance with Article 5(3) and the existence, authenticity, accuracy and validity of any supporting document. Such controls may be carried out by the CBAM authority at the premises of the applicant.

9. The **CBAM** authority shall revoke the authorisation for a declarant who no longer meets the conditions laid down in paragraph 1, or who fails to cooperate with that authority **or that has been found to repeatedly or seriously infringe this Regulation.**

9a. The Commission shall, by means of implementing acts, adopt the practical arrangements for the application of the criteria referred to in paragraph 1 and for guarantees referred to in paragraph 6. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Text proposed by the Commission

Article 19

Review of CBAM declarations

Amendment

Article 19

Review of CBAM declarations

1. The **competent** authority may review the CBAM declaration within the period ending with the fourth year after the year in which the declaration should have been submitted. The review may consist in verifying the information provided in the CBAM declaration on the basis of the information communicated by the customs authorities in accordance with Article 25(2)

1. The **CBAM** authority may review the CBAM declaration within the period ending with the fourth year after the year in which the declaration should have been submitted. The review may consist in verifying the information provided in the CBAM declaration on the basis of the information communicated by the customs authorities in accordance with Article 25(2)

and any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised declarant.

2. Where a CBAM declaration in accordance with Article 6 has not been submitted, the competent authority of the Member State of establishment of the authorised declarant shall assess the CBAM obligations of that declarant on the basis of the information at its disposal and calculate the total number of CBAM certificates due at the latest by the 31 December of the fourth year following that when the CBAM declaration should have been submitted.

3. Where the *competent* authority has established that the declared number of CBAM certificates to be surrendered is incorrect, or that no CBAM declaration has been submitted pursuant to paragraph 2, it shall adjust the number of CBAM certificates due by the authorised declarant. The *competent* authority shall notify the authorised declarant of the adjustment and request that the authorised declarant shall surrender the additional CBAM certificates within one month.

4. *The recipient of the notification referred to in paragraph 3 may lodge an appeal of the notification. The recipient of the notification shall be provided with information regarding the procedure to be followed in the event of an appeal.*

5. Where CBAM certificates have been surrendered in excess of the number due, the *competent* authority shall, without delay, reimburse the authorised declarant the value of CBAM certificates surrendered in excess, calculated at the *average* price paid *for CBAM certificates* by the authorised declarant *during the year of import*.

and any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised declarant.

2. Where a CBAM declaration in accordance with Article 6 has not been submitted, the competent authority of the Member State of establishment of the authorised declarant shall assess the CBAM obligations of that declarant on the basis of the information at its disposal and calculate the total number of CBAM certificates due at the latest by the 31 December of the fourth year following that when the CBAM declaration should have been submitted.

3. Where the *CBAM* authority has established that the declared number of CBAM certificates to be surrendered is incorrect, or that no CBAM declaration has been submitted pursuant to paragraph 2, it shall adjust the number of CBAM certificates due by the authorised declarant. The *CBAM* authority shall notify the authorised declarant of the adjustment and request that the authorised declarant shall surrender the additional CBAM certificates within one month.

5. Where CBAM certificates have been surrendered in excess of the number due, the *CBAM* authority shall, without delay, reimburse the authorised declarant the value of CBAM certificates surrendered in excess, calculated at the average price paid for CBAM certificates by the authorised declarant *for those certificates at the time of purchase*.

Or. en

Proposal for a regulation
Article 22 – paragraph 4

Text proposed by the Commission

Amendment

4. The recipient of the notification referred to in paragraph 3 may lodge an appeal of the notification. The recipient of the notification shall be provided with information regarding the procedure to be followed in the event of an appeal. **deleted**

Or. en

Proposal for a regulation
Article 25

Text proposed by the Commission

Amendment

Article 25 **deleted**

Procedures at the border when goods are imported

1. The customs authorities shall not allow the importation of goods unless the declarant is authorised by a competent authority at the latest at the release for free circulation of the goods.

2. The customs authorities shall periodically communicate information on the goods declared for importation, which shall include the EORI number and the CBAM account number of the declarant, the 8-digit CN code of the goods, the quantity, the country of origin, the date of declaration and the customs procedure, to the competent authority of the Member State where the declarant has been authorised.

3. The custom authorities shall carry out controls on the goods in accordance with Article 46 of Regulation (EU) No 952/2013, including the 8-digit CN code, the quantity and the country of origin of the imported goods. The Commission shall include the risks relating to CBAM

in the design of the common risk criteria and standards pursuant to Article 50 of Regulation (EU) No 952/2013.

4. The customs authorities may communicate in accordance with Article 12(1) of Regulation (EU) No 952/2013, confidential information acquired by the customs authorities in the course of performing their duty or provided on a confidential basis, to the competent authority of the Member State where the declarant has been authorised. The competent authorities of the Member States shall treat and exchange this information in accordance with Council Regulation (EC) No 515/97.

5. The Commission is empowered to adopt implementing acts defining the information, the timing and the means for communicating the information pursuant to paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

**Proposal for a regulation
Article 25 a (new)**

Text proposed by the Commission

Amendment

Article 25a

Procedures at the border when goods are imported

- 1. The customs authorities shall ensure that the declarant of the goods is registered with the CBAM authority when the goods are declared for importation and at the latest when the goods are released for free circulation.***
- 2. The customs authorities shall periodically communicate to the CBAM authority specific information on the***

goods listed in Annex I that are declared for importation. That information shall include at least the quantity, country of origin and declarant of the goods. The customs authorities may communicate confidential information, as referred to in Article 12(1) of Regulation (EU) No 952/2013, to the CBAM authority for the purpose of this Regulation.

3. Imported products shall be considered as originating in third countries in accordance with the rules on non-preferential origin of goods referred to in Article 59 of Regulation (EU) No 952/2013.

4. The Commission shall lay down, by means of implementing acts, the periodicity and the information referred to in paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

5. From the date of initiation of an action under Article 26a or 27, and after having informed the Member States in due time, the Commission may direct the customs authorities to take the appropriate steps to register imports, so that measures may subsequently be applied against those imports from the date of such registration. Imports may be made subject to registration following a request from the Union industry which contains sufficient evidence to justify such action. Imports may also be made subject to registration on the Commission's own initiative. Registration shall be introduced by a Commission decision which shall specify the purpose of the action and, if appropriate, the estimated amount of possible future liability. Imports shall not be made subject to registration for a period longer than nine months.

Or. en

Proposal for a regulation
Article 26

Text proposed by the Commission

Amendment

Article 26

deleted

Penalties

1. An authorised declarant who fails to surrender, by 31 May of each year, a number of CBAM certificates corresponding to the emissions embedded in goods imported during the previous year shall be liable to a penalty identical to the excess emissions penalty set out in Article 16(3) of Directive 2003/87/EC, increased pursuant to Article 16(4) of that Directive, in the year of importation of the goods, for each CBAM certificate that the authorised declarant should have surrendered.

2. Any person other than an authorised declarant, introducing goods into the customs territory of the Union without surrendering CBAM certificates according to this Regulation shall be liable to the penalty referred to in paragraph 1 in the year of introduction of the goods, for each CBAM certificate that the person should have surrendered.

3. Payment of the penalty shall in no case release the authorised declarant from the obligation to surrender the outstanding number of CBAM certificates in a given year to the competent authority of the Member State where the declarant has been authorised.

4. If the competent authority determines that an authorised declarant has failed to comply with the obligation to surrender CBAM certificates as specified in paragraph 1, or that a person has introduced goods into the customs territory of the Union as specified in paragraph 2, the competent authority shall impose the penalty and notify the authorised declarant or, in the situation

under paragraph 2, the person:

- (a) that the competent authority has concluded that the authorised declarant or the person fails to comply with the obligation of surrendering CBAM certificates for a given year;*
- (b) of the reasons for its conclusion;*
- (c) of the amount of the penalty imposed on the authorised declarant or on the person;*
- (d) of the date from which the penalty is due;*
- (e) of the action the competent authority considers the authorised declarant or the person should take to comply with its obligation under point (a) depending on the facts and circumstances of the case; and*
- (f) of the right of the authorised declarant or of the person to appeal under national rules.*

5. Member States may apply administrative or criminal sanctions for failure to comply with the CBAM legislation in accordance with their national rules in addition to penalties referred to in paragraph 2. Such sanctions shall be effective, proportionate and dissuasive.

Or. en

Amendment 92

Proposal for a regulation Article 26 a (new)

Text proposed by the Commission

Amendment

Article 26a

Penalties

- 1. An authorised declarant that fails to surrender, by 31 May of each year, a*

number of CBAM certificates corresponding to the emissions embedded in goods imported during the previous year or submits to the authority false information related to actual emissions with a view to obtain a favourable individual treatment, shall be liable for the payment of a penalty.

2. The amount of the penalty shall be equivalent to three times the average price of CBAM certificates in the previous year for each CBAM certificate that the authorised declarant did not surrender in accordance with Article 22. Payment of the penalty shall not release the authorised declarant from the obligation to surrender the outstanding number of CBAM certificates to the CBAM authority.

3. In case of repeated offences, the CBAM authority may decide to suspend the CBAM account of the authorised declarant.

4. Member States shall apply administrative or criminal penalties for failure to comply with the CBAM in accordance with their national rules in addition to the penalty referred to in paragraph 2. Such penalties shall be effective, proportionate and dissuasive.

5. If the CBAM authority determines that an authorised declarant has failed to comply with the obligation to surrender CBAM certificates or has submitted false information to the authority, the CBAM authority shall impose the penalty referred to in paragraph 2 and notify the authorised declarant:

(a) that the CBAM authority has concluded that the authorised declarant fails to comply with the obligation of surrendering CBAM certificates for a given year or has submitted false information to the authority;

(b) of the reasons for its conclusion;

- (c) *of the amount of the penalty imposed on the authorised declarant;*
- (d) *of the date from which the penalty is due;*
- (e) *of the action the competent authority considers the authorised declarant should take to comply with its obligation under point (a) depending on the facts and circumstances of the case; and*
- (f) *of the right of the authorised declarant to appeal under national rules.*
- [Delegated Act - deleted]*

Or. en

Proposal for a regulation
Chapter VI a (new)

Text proposed by the Commission

Amendment

Chapter VIa
Appeals

Or. en

Proposal for a regulation
Article 27 a (new)

Text proposed by the Commission

Amendment

Article 27a

***Appeals against decisions taken by the
CBAM authority***

1. An appeal may be brought against decisions taken by the CBAM Authority. An appeal shall lie from decisions of the CBAM authority that adversely affect any interested person, including decisions on penalties, circumvention and actual emission values. Those decisions shall take effect only from the date of

expiration of the appeal period of two months.

2. An appeal lodged pursuant to paragraph 1 shall have suspensive effect.

3. The products concerned by an appeal shall be subject to registration in accordance with Article 25a(5).

4. Any party to proceedings adversely affected by a decision may appeal. Any other parties to the proceedings shall be parties to the appeal proceedings as of right.

5. The Board of Appeal shall be set up and consist of three full members, a chair and two alternate members. The European Parliament, the Council and the Commission shall each appoint a member. The Council shall appoint the chair. The European Parliament and the Council shall each appoint an additional alternate member.

6. The Commission shall adopt delegated acts in accordance to Article 28 supplementing this Regulation in order to establish the composition, the appointment and the rules of procedure of the Board of Appeal, with a view to assure the independence of its members, including during the transitional period. During the transitional period the Commission holds the functions of the Board of Appeal.

Or. en

Proposal for a regulation
Article 27 b (new)

Text proposed by the Commission

Amendment

Article 27b

Examination of appeals

1. The Board of Appeal shall

examine whether an appeal is admissible.

2. In the examination of an appeal, the Board of Appeal shall invite the parties referred to in Article 27a(4), as often as necessary, to file observations, within a period to be fixed by the Board of Appeal, in relation to submissions made by the other parties to the appeal or to communications issued by the Board of Appeal.

3. Following the examination of the admissibility of an appeal, the Board of Appeal shall decide on the appeal. The Board of Appeal may either exercise any power within the competence of the CBAM authority or remit the case to the latter for further action.

4. If the Board of Appeal remits the case to the CBAM authority for further action, the latter shall be bound by the conclusions of the Board of Appeal, in so far as the facts are the same.

5. A decision of the Board of Appeal shall take effect only from the date of expiry of a period of two months after the communication of the decision or, if an action has been brought before the General Court within that period, from the date of dismissal of such action or of any appeal filed with the Court of Justice against the decision of the General Court.

Or. en

Or. en

Proposal for a regulation
Article 27 c (new)

Text proposed by the Commission

Amendment

Article 27c

Actions before the Court of Justice

1. An action may be brought before the General Court or the Court of Justice, in

accordance with Article 263 TFEU, contesting a decision taken by the Board of Appeal..

2. Should the Board of Appeal fail to take a decision, proceedings for failure to act may be brought before the General Court or the Court of Justice in accordance with Article 265 TFEU.

3. The CBAM authority shall be required to take the necessary measures to comply with the judgment of the General Court or, in the event of an appeal against that judgment, the Court of Justice.

Or. en

Proposal for a regulation Recital 23 a (new)

Text proposed by the Commission

Amendment

(23 a) Given the unique nature of the CBAM and the need for close coordination at Union level, a CBAM authority should be established to properly implement and monitor the import and export provisions of this Regulation.

Or. en

Proposal for a regulation Recital 24

Text proposed by the Commission

Amendment

(24) *In terms of sanctions*, Member States should apply penalties to infringements of this Regulation and ensure that they are implemented. The amount of *those* penalties should be identical to penalties currently applied within the Union in case of infringement of EU ETS according to Article 16(3) and (4) of Directive 2003/87/EC.

(24) The *CBAM should be carefully designed and supervised by the CBAM authority and customs authorities, inter alia*, to prevent, identify and penalise any type of abuse or fraud. The *CBAM authority and Member States, in accordance with their national law*, should apply *administrative or criminal* penalties to infringements of this

Regulation and ensure that they are implemented. The amount of *the* penalties *for authorised declarants who fail to surrender, by 31 May each year, a number of CBAM certificates corresponding to the emissions embedded in goods imported during the previous year or who submit false information related to embedded emissions to the authority with a view to obtaining a favourable individual treatment* should be equivalent to three times the average price of CBAM certificates in the previous year for each CBAM certificate that the authorised declarant did not surrender in accordance with Article 22. Payment of the penalty should not release the authorised declarant from the obligation to surrender the outstanding number of CBAM certificates to the CBAM authority.

Or. en

Proposal for a regulation Recital 51

Text proposed by the Commission

Amendment

(51) To facilitate and ensure a proper functioning of the CBAM, the Commission should provide support to the competent authorities responsible for the application of this Regulation in carrying out their obligations.

deleted

Or. en

Proposal for a regulation Recital 51 a (new)

Text proposed by the Commission

Amendment

(51a). It is necessary to ensure that parties affected by decisions made by the CBAM

authority have access to the necessary remedies. An appropriate appeal mechanism should therefore be set up so that decisions of the CBAM authority can be subject to appeal to a Board of Appeal, the decisions of which can be subject to action before the Court of Justice of the European Union in accordance with the TFEU.

Compromise Amendment 15 (recitals)

EPP, S&D, RE, Greens/EFA, The Left

Compromise amendment replacing Amendments: 132, AGRI 1, ECON 1, 133, 135, 136, ECON 3, DEVE 1, DEVE 2, 137, 138, 140, 141, ECON 4, 142, 143, ECON 5, 1, 151, AGRI 2, ITRE 2, 2, 164, 280, 281, 282, 283, 284, 285, 286, 7, 287, 288, 289, 290, 291, 292, 293, 294, ECON 14, 295, 298, 299, 313, ECON 16, DEVE 7, 314, 315, 316, 317, 318, 319, 320, 321, ITRE 9, AGRI 11, 322, 323, 324, 325, ECON 17, 326, 327, 328, 329, ECON 18, 9, 349, 350, 351, 352, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 398, 399, 400, 401, 402, 403, 404, 410, 411, ITRE 12, 17, 412, 413, 414, ECON 26, 426, 428, 429, 427, 430, 431, 432, 19, ECON 31, 500, 501, 497, 498, 499 and 25

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) The Commission has, in its communication on the European Green Deal³¹, set out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions (emissions after deduction of removals) of greenhouse gases ('GHG emissions') in 2050 and where economic growth is decoupled from resource use. The European Green Deal also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, that transformation must be just and inclusive, leaving no one behind. The Commission also announced in its EU Action Plan: Towards Zero Pollution for Air, Water and Soil³² the promotion of relevant instruments and incentives to better implement the polluter pays principle as set out in Article 191(2) of the Treaty on the Functioning of the European Union ('TFEU') and thus complete the phasing out of 'pollution for free' with a view to maximising synergies between decarbonisation and the zero pollution ambition.

Amendment

(1) The Commission has, in its communication on the European Green Deal³¹, set out a new growth strategy that aims to transform the Union into a fair and prosperous society, with a modern, resource-efficient and competitive economy, where there are no net emissions (emissions after deduction of removals) of greenhouse gases ('GHG emissions') in 2050 **at the latest** and where economic growth is decoupled from resource use. The European Green Deal also aims to protect, conserve and enhance the EU's natural capital, and protect the health and well-being of citizens from environment-related risks and impacts. At the same time, that transformation must be just and inclusive, leaving no one behind. The Commission also announced in its EU Action Plan: Towards Zero Pollution for Air, Water and Soil³² the promotion of relevant instruments and incentives to better implement the polluter pays principle as set out in Article 191(2) of the Treaty on the Functioning of the European Union ('TFEU') and thus complete the phasing out of 'pollution for free' with a view to maximising synergies between decarbonisation and the zero pollution ambition.

Proposal for a regulation
Recital 2

Text proposed by the Commission

(2) The Paris Agreement³³, adopted in December 2015 under the United Nations Framework Convention on Climate Change ('UNFCCC') entered into force in November 2016. The Parties to the Paris Agreement, in its Article 2, have agreed to hold the increase in the global average temperature well below 2°C above preindustrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels

Amendment

(2) The Paris Agreement³³, adopted in December 2015 under the United Nations Framework Convention on Climate Change ('UNFCCC'), entered into force in November 2016. The Parties to the Paris Agreement, in its Article 2, have agreed to hold the increase in the global average temperature well below 2°C above preindustrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. ***Under the Glasgow Climate Pact, adopted on 13 November 2021, the Parties also recognised that limiting the increase in the global average temperature 1,5 °C above pre-industrial levels would significantly reduce the risks and impacts of climate change, and committed to strengthen the 2030 targets by the end of 2022 to close the ambition gap.***

Proposal for a regulation
Recital 3

Text proposed by the Commission

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the European Green Deal. The value of the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health and economic well-being of the Union's citizens.

Amendment

(3) Tackling climate and other environmental-related challenges and reaching the objectives of the Paris Agreement are at the core of the European Green Deal. The value of the European Green Deal has only grown in light of the very severe effects of the COVID-19 pandemic on the health and economic well-being of the Union's citizen.

Proposal for a regulation
Recital 4

Text proposed by the Commission

(4) The Union is committed to reducing its economy-wide GHG emissions by at least 55 per cent by 2030 below 1990 levels, as set out in the submission to the UNFCCC on behalf of the European Union and its Member States on the update of the nationally determined contribution of the European Union and its Member States³⁴.

Amendment

(4) The Union is committed to reducing its economy-wide GHG emissions by at least 55 per cent by 2030 below 1990 levels, as set out in the submission to the UNFCCC on behalf of the European Union and its Member States on the update of the nationally determined contribution of the European Union and its Member States³⁴.

Proposal for a regulation
Recital 5

Text proposed by the Commission

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

Amendment

(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council³⁵ has enshrined in legislation the target of economy-wide climate neutrality by 2050 ***at the latest***. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.

Proposal for a regulation
Recital 6

Text proposed by the Commission

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced, ***and that climate change needs to be limited to a global temperature increase of 1.5°C.***

Amendment

(6) The Special Report of the Intergovernmental Panel on Climate Change (IPCC) on the impacts of global temperature increases of 1.5°C above pre-industrial levels and related global GHG emission pathways³⁶ provides a strong scientific basis for tackling climate change and illustrates the need to step up climate action. That report confirms that ***the negative impacts of climate change and the need for adaptation measures will be significantly higher if the increase in global average temperature is above 1, 5 °C, and that*** in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced.

Proposal for a regulation
Recital 7 a new

Text proposed by the Commission

Amendment

(7a) Around 27 % of global CO2 emissions from fuel combustion currently relate to internationally traded goods and, while the Union has substantially reduced its domestic GHG emissions, the GHG emissions embedded in imports to the Union have been constantly increasing, thereby undermining the Union's efforts to reduce its global GHG footprint. The Union has a responsibility to continue playing a leading role in global climate action, in cooperation with all of the world's other economies, as it is only through actions by all parties that it will be possible to achieve the objectives set out in the Paris Agreement.

**Proposal for a regulation
Recital 14**

Text proposed by the Commission

Amendment

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries, except where their production has already been subject to the EU ETS, whereby it applies to third countries or territories, or to a carbon pricing system fully linked with the EU ETS.

(14) This Regulation should apply to goods imported into the customs territory of the Union from third countries, except where their production has already been subject to the EU ETS, whereby it applies to third countries or territories, or to a carbon pricing system fully linked with the EU ETS.

**Proposal for a regulation
Recital 15**

Text proposed by the Commission

Amendment

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS in the event of future agreements, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of amending the list of countries in Annex II. Conversely, those third countries or territories should be excluded from the list in Annex II and be subject to CBAM whereby they do not effectively charge the ETS price on goods exported to the Union.

(15) In order to exclude from the CBAM third countries or territories fully integrated into, or linked, to the EU ETS in the event of future agreements, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of amending the list of countries in Annex II. Conversely, those third countries or territories should be excluded from the list in Annex II and be subject to CBAM whereby they do not effectively charge the ETS price on goods exported to the Union. ***The Commission will monitor and address the possible practices of circumvention in third countries.***

Proposal for a regulation
Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) With a view to ensuring that the ecological transition in the outermost regions is accompanied by economic and social cohesion, an impact assessment should be carried out before the end of the transition period on the potential economic and social impacts specific to those regions. The Commission should ensure compliance with Article 349 TFEU and propose appropriate measures for the outermost regions in implementing the CBAM, in particular because of the specific customs and tax arrangements that apply to the outermost regions.

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) The EU ETS and the CBAM have a common objective of pricing GHG emissions embedded in the same sectors and goods through the use of specific allowances or certificates. Both systems have a regulatory nature and are justified by the need to curb GHG emissions, in line with the environmental objective set out in Union.

Amendment

(18) The EU ETS and the CBAM have a common objective of pricing GHG emissions embedded in the same sectors and goods through the use of specific allowances or certificates. Both systems have a regulatory nature and are justified by the need to curb GHG emissions, in line with the environmental objective set out in Union.

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) However, while the EU ETS sets an absolute cap on the GHG emissions from the activities under its scope and allows tradability of allowances (so called ‘cap and trade system’), the CBAM should not establish quantitative limits to import, so as to ensure that trade flows are not restricted. Moreover, while the EU ETS applies to installations based in the Union, the CBAM should be applied to certain goods imported into the customs territory of the Union.

Amendment

(19) However, while the EU ETS sets an absolute cap on the GHG emissions from the activities under its scope and allows tradability of allowances (so called ‘cap and trade system’), the CBAM should not establish quantitative limits to import, so as to ensure that trade flows are not restricted ***or disrupted***. Moreover, while the EU ETS applies to installations based in the Union, the CBAM should be applied to certain goods imported into the customs territory of the Union ***to ensure a level playing field and prevent the risk of carbon leakage while ensuring compatibility with the WTO rules.***

Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) The CBAM system has some specific features compared with the EU ETS, including on the calculation of the price of CBAM certificates, on the possibilities to trade certificates and on their validity over time. These are due to the need to preserve the effectiveness of the CBAM as a measure preventing carbon leakage over time and to ensure that the management of the system is not excessively burdensome in terms of obligations imposed on the operators and of resources for the administration, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS.

Amendment

(20) The CBAM system has some specific features compared with the EU ETS, including on the calculation of the price of CBAM certificates, on the possibilities to trade certificates and on their validity over time. These are due to the need to preserve the effectiveness of the CBAM as a measure preventing carbon leakage over time and to ensure that the management of the system is not excessively burdensome in terms of obligations imposed on the operators, ***in particular SMEs***, and of resources for the administration, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS.

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) In order to preserve its effectiveness as a carbon leakage measure, the CBAM needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances is determined through auctions, the price of CBAM certificates should reasonably reflect the price of such auctions through averages calculated on a weekly basis. Such weekly average prices reflect closely the price fluctuations of the EU ETS and allow a reasonable margin for importers to take advantage of the price changes of the EU ETS while at the same ensuring that the system remains manageable for the administrative authorities.

Amendment

(21) In order to preserve its effectiveness as a carbon leakage measure ***and to ensure compatibility with the WTO rules***, the CBAM needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances is determined through auctions, the price of CBAM certificates should reasonably reflect the price of such auctions through averages calculated on a weekly basis. Such weekly average prices reflect closely the price fluctuations of the EU ETS and allow a reasonable margin for importers to take advantage of the price changes of the EU ETS while at the same ensuring that the system remains manageable for the administrative authorities.

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) While the EU ETS applies to certain production processes and activities, the CBAM should target the corresponding imports of goods. That requires clearly identifying imported goods by way of their classification in the Combined nomenclature⁴¹ ('CN') and linking them to embedded GHG emissions.

Amendment

(25) While the EU ETS applies to certain production processes and activities, the CBAM should target the corresponding imports of goods. That requires clearly identifying imported goods by way of their classification in the Combined nomenclature⁴¹ ('CN') and linking them to embedded GHG emissions.

Proposal for a regulation
Recital 26

Text proposed by the Commission

(26) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union

Amendment

(26) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union

Proposal for a regulation
Recital 27

Text proposed by the Commission

(27) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union

Amendment

(27) The product coverage of the CBAM should reflect the activities covered by the EU ETS as that scheme is based on quantitative and qualitative criteria linked to the environmental objective of Directive 2003/87/EC and is the most comprehensive GHG emissions regulatory system in the Union

Text proposed by the Commission

Amendment

Proposal for a regulation
Recital 29

Text proposed by the Commission

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort.

Amendment

(29) The goods under this Regulation should be selected after a careful analysis of their relevance in terms of cumulated GHG emissions and risk of carbon leakage in the corresponding EU ETS sectors while limiting complexity and administrative burden ***for European industry, companies and SMEs***. In particular, the actual selection should take into account basic materials and basic products covered by the EU ETS with the objective of ensuring that imports of energy intensive products into the Union are on equal footing with EU products in terms of EU ETS carbon pricing, and to mitigate risks of carbon leakage. Other relevant criteria to narrow the selection should be: firstly, relevance of sectors in terms of emissions, namely whether the sector is one of the largest aggregate emitters of GHG emissions; secondly, sector's exposure to significant risk of carbon leakage, as defined pursuant to Directive 2003/87/EC; thirdly, the need to balance broad coverage in terms of GHG emissions while limiting complexity and administrative effort. ***Specific attention should also be paid to avoid any risk of market distortions between the different sectors covered by the CBAM.***

Proposal for a regulation
Recital 40

Text proposed by the Commission

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already paid for those emissions in other jurisdictions.

Amendment

(40) An authorised declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the ***explicit*** carbon price already paid for those emissions in other jurisdictions.

Proposal for a regulation
Recital 43

Text proposed by the Commission

(43) CBAM certificates differ from EU ETS allowances for which daily auctioning is an essential feature. The need to set a clear price for CBAM certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis would accurately reflect the pricing trend of EU ETS allowances and pursue the same climate objective. The calculation of the price of CBAM certificates should therefore be set on the basis of a longer timeframe (on a weekly basis) than in the timeframe established by the EU ETS (on a daily basis). The Commission should be tasked to calculate and publish that average price.

Amendment

(43) CBAM certificates differ from EU ETS allowances for which daily auctioning is an essential feature. The need to set a clear price for CBAM certificates makes a daily publication excessively burdensome and confusing for operators, as daily prices risk becoming obsolete upon publication. Thus, the publication of CBAM prices on a weekly basis would accurately reflect the pricing trend of EU ETS allowances and pursue the same climate objective. The calculation of the price of CBAM certificates should therefore be set on the basis of a longer timeframe (on a weekly basis) than in the timeframe established by the EU ETS (on a daily basis). The Commission should be tasked to calculate and publish that average price.

Proposal for a regulation
Recital 47

Text proposed by the Commission

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar or equivalent to the EU ETS or in their participation in the EU ETS.

Amendment

(47) Contracting Parties to the Treaty establishing the Energy Community⁴⁵ or Parties to Association Agreements including Deep and Comprehensive Free Trade Areas are committed to decarbonisation processes that should eventually result in the adoption of carbon pricing mechanisms similar or equivalent to the EU ETS or in their participation in the EU ETS.

Proposal for a regulation
Recital 48

Text proposed by the Commission

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/122246 , enables third countries to better integrate electricity from renewable energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

Amendment

(48) Integration of third countries into the Union electricity market is an important drive for those countries to accelerate their transition to energy systems with high shares of renewable energies. Market coupling for electricity, as set out in Commission Regulation (EU) 2015/122246 , enables third countries to better integrate electricity from renewable energies into the electricity market, to exchange such electricity in an efficient manner within a wider area, balancing supply and demand with the larger Union market, and reduce the carbon intensity of their electricity generation. Integration of third countries into the Union electricity market also contributes to the security of electricity supplies in those countries and in the neighbouring Member States.

Proposal for a regulation
Recital 49

Text proposed by the Commission

(49) Once third countries will be closely integrated into the Union electricity market via market coupling, technical solutions should be found to ensure the application of the CBAM to electricity exported from such countries into the customs territory of the Union. If technical solutions cannot be found, third countries that are market coupled should benefit from a time limited exemption from the CBAM until at the latest 2030 with regard solely to the export of electricity, provided that certain conditions are satisfied. However, those third countries should develop a roadmap and commit to implement a carbon pricing mechanism providing for an equivalent price as the EU ETS, and should commit to achieving carbon neutrality by 2050 [as well as?] to align with Union legislation in the areas of environment, climate, competition and energy. That exemption should be withdrawn at any time if there are reasons to believe that the country in question does not fulfil its commitments or it has not adopted by 2030 an ETS equivalent to the EU ETS.

Proposal for a regulation
Recital 54

Text proposed by the Commission

(54) The Commission should strive to engage in an even handed manner and in line with the international obligations of the EU, with the third countries whose trade to the EU is affected by this Regulation, to explore possibilities for dialogue and cooperation with regard to the implementation of specific elements of the Mechanism set out this Regulation and related implementing acts. It should also explore possibilities for concluding agreements to take into account their carbon pricing mechanism.

Or. fr

Amendment

(49) Once third countries will be closely integrated into the Union electricity market via market coupling, technical solutions should be found to ensure the application of the CBAM to electricity exported from such countries into the customs territory of the Union. If technical solutions cannot be found, third countries that are market coupled should benefit from a time limited exemption from the CBAM until at the latest 2030 with regard solely to the export of electricity, provided that certain conditions are satisfied. However, those third countries should develop a roadmap and commit to implement **an explicit** carbon pricing mechanism providing for an equivalent price as the EU ETS, and should commit to achieving carbon neutrality by 2050 **at the latest** to align with Union legislation in the areas of environment, climate, competition and energy. That exemption should be withdrawn at any time if there are reasons to believe that the country in question does not fulfil its commitments or it has not adopted by 2030 an ETS equivalent to the EU ETS.

Amendment

(54) The Commission should strive to engage in an even handed manner and in line with the international obligations of the EU, with the third countries whose trade to the EU is affected by this Regulation, to explore possibilities for dialogue and cooperation with regard to the implementation of specific elements of the Mechanism set out this Regulation and related implementing acts. It should also explore possibilities for concluding agreements to take into account their carbon pricing mechanism.