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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: CBAM: Commission proposal / Council general approach / Position of
the EP

Delegations will find attached the initial version of the table, containing the texts of the Commission proposal, Council general approach and the position of the EP on the draft CBAM Regulation.

13063/22

JB/et

ECOFIN 2B

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COMMISSION PROPOSAL	COUNCIL GENERAL APPROACH	EUROPEAN PARLIAMENT POSITION
2021/0214 (COD)		2021/0214 (COD)
Proposal for a	DRAFT	Proposal for a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
establishing a carbon border adjustment mechanism	establishing a carbon border adjustment mechanism	establishing a carbon border adjustment mechanism
(Text with EEA relevance)	(Text with EEA relevance)	(Text with EEA relevance)
THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,
Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,
After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,
Having regard to the opinion of the European Economic and Social Committee,	Having regard to the opinion of the European Economic and Social Committee,	Having regard to the opinion of the European Economic and Social Committee,
Having regard to the opinion of the Committee of the Regions,	Having regard to the opinion of the Committee of the Regions,	Having regard to the opinion of the Committee of the Regions,
Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,
Whereas:	Whereas:	Whereas:

<p>(1) The Commission has, in its communication on the European Green Deal, 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 Soil 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.</p>	<p>(1) The Commission has, in its communication on the European Green Deal, 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 Soil 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.</p>	<p>(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.</p>
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<p>(2) The Paris Agreement, 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 pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.</p>	<p>(2) The Paris Agreement, 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 pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels.</p>	<p>(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 pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels. <i>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.</i></p>
<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
<p>(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 States.</p>	<p>(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 States.</p>	<p>(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 States.</p>

<p>(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council 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.</p>	<p>(5) Regulation (EU) 2021/1119 of the European Parliament and of the Council 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.</p>	<p>(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 <i>at the latest</i>. That Regulation also establishes a binding Union reduction commitment of GHG emissions of at least 55 per cent below 1990 levels by 2030.</p>
<p>(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 pathways 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.</p>	<p>(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 pathways 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. <u>The Contribution of Working Group I to the Sixth Assessment Report of the IPCC recalls that climate change is already affecting every region on Earth and projects that in the coming decades climate changes will increase in all regions. This report stresses that unless there are immediate, rapid and large-scale reductions in GHG emissions, limiting warming close to 1.5°C or even 2°C will be beyond reach.</u></p>	<p>(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 <i>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</i> in order to reduce the likelihood of extreme weather events, GHG emissions need to be urgently reduced.</p>

<p>(7) The Union has been pursuing an ambitious policy on climate action and has put in place a regulatory framework to achieve its 2030 GHG emissions reduction target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council, which establishes a system for GHG emission allowance trading within the Union ('EU ETS') and delivers harmonised pricing of GHG emissions at Union level for energy-intensive sectors and subsectors, Regulation (EU) 2018/842 of the European Parliament and of the Council, which introduces national targets for reduction of GHG emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council, which requires Member States to compensate GHG emissions from land use with removals of emissions from the atmosphere.</p>	<p>(7) The Union has been pursuing an ambitious policy on climate action and has put in place a regulatory framework to achieve its 2030 GHG emissions reduction target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council, which establishes a system for GHG emission allowance trading within the Union ('EU ETS') and delivers harmonised pricing of GHG emissions at Union level for energy-intensive sectors and subsectors, Regulation (EU) 2018/842 of the European Parliament and of the Council, which introduces national targets for reduction of GHG emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council, which requires Member States to compensate GHG emissions from land use with removals of emissions from the atmosphere.</p>	<p>(7) The Union has been pursuing an ambitious policy on climate action and has put in place a regulatory framework to achieve its 2030 GHG emissions reduction target. The legislation implementing that target consists, inter alia, of Directive 2003/87/EC of the European Parliament and of the Council, which establishes a system for GHG emission allowance trading within the Union ('EU ETS') and delivers harmonised pricing of GHG emissions at Union level for energy-intensive sectors and subsectors, Regulation (EU) 2018/842 of the European Parliament and of the Council, which introduces national targets for reduction of GHG emissions by 2030, and Regulation (EU) 2018/841 of the European Parliament and of the Council, which requires Member States to compensate GHG emissions from land use with removals of emissions from the atmosphere.</p>
		<p><i>(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.</i></p>

<p>(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.</p>	<p>(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 <u>and pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels.</u></p>	<p>(8) As long as a significant number of the Union's international partners do not <i>achieve</i> the same level of climate ambition, <i>and as the Union increases its climate ambition</i>, there <i>could be</i> 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 <i>while undermining the effectiveness of Union emission reduction policies</i>, 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.</p>
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<p>(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 ambition.</p>	<p>(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 ambition.</p>	<p>(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 <i>at the latest</i> in line with the Paris Agreement by <i>preventing</i> carbon leakage resulting from the increased Union climate ambition. <i>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.</i></p>
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<p>(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.</p>	<p>(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.</p>	<p>(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. <i>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.</i> However, <i>both</i> free allocation under the EU ETS <i>and compensation for indirect emission costs</i> weaken the price signal that the system provides for the installations receiving <i>them</i>, compared to full auctioning, and thus <i>reduce</i> the incentives for investment into further abatement of emissions.</p>
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<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
		<p><i>(11a) Installations under the EU ETS are facing a rising carbon price and companies need long-term visibility, predictability and legal certainty to make their investment decisions. A clear pathway for the gradual inclusion of the remaining sectors and subsectors at risk of carbon leakage should therefore be established. This will strengthen the new legal framework to fight carbon leakage, provide the necessary time to ensure a smooth implementation of the CBAM and allow installations and companies make the necessary investments in the decarbonisation of industrial processes in a stable and predictable legal context.</i></p>

<p>(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.</p>	<p>(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.</p>	<p>(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. <i>For that reason the CBAM could be an effective measure to lower emissions in third countries while ensuring a level playing field for Union industry.</i></p>
<p>(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.</p>	<p>(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.</p>	<p>(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, <i>resulting in an equivalent carbon pricing for imports and domestic products and a level playing field.</i> The CBAM is a climate measure which should <i>support the reduction of emissions in the Union in line with the European Green Deal and Regulation (EU) 2021/1119</i> and prevent the risk of carbon leakage, while ensuring compatibility <i>with WTO rules.</i></p>
		<p><i>(13a) The Commission should analyse the administrative costs incurred by the CBAM, while ensuring that staff receive adequate training to perform their duties.</i></p>

<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
<p>(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.</p>	<p>(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.</p>	<p>(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. <i>The Commission will monitor and address the possible practices of circumvention in third countries.</i></p>

		<p><i>(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.</i></p>
<p>(16) This Regulation should apply to the continental shelf and to the exclusive economic zone declared by Member States pursuant to the United Nations Convention on the Law of the Sea, with a view to preventing the risk of carbon leakage in offshore installations.</p>	<p>(16) This<u>With a view to preventing the risk of carbon leakage in offshore installations, this</u> Regulation should apply to the <u>goods, or processed products from those goods as resulting from the inward processing procedure, that are brought to an artificial island, a fixed or floating installation, or any other structure on the</u> continental shelf and to or in the exclusive economic zone declared by of a Member States pursuant<u>State that are adjacent</u> to the United Nations Convention<u>customs territory of the Union.</u> <u>Implementing powers should be conferred</u> on the Law of the Sea, <u>with a view</u> Commission to preventing<u>lay down detailed conditions for</u> the risk<u>application</u> of carbon leakage<u>the CBAM to such goods in offshore installations</u>those cases.</p>	<p>(16) This Regulation should apply to the continental shelf and to the exclusive economic zone declared by Member States pursuant to the United Nations Convention on the Law of the Sea, with a view to preventing the risk of carbon leakage in offshore installations.</p>

<p>(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.</p>	<p>(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.</p>	<p>(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 <i>reflect future revisions of the EU ETS in terms of regulated GHG emissions. The CBAM should</i> 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. <i>Coherence between the CBAM and the EU ETS is essential to respect the principles of the WTO.</i></p>
<p>(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.</p>	<p>(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 <u>binding</u> environmental objective set out in Union. <u>law to reduce the Union's net GHG emissions by at least 55 per cent below 1990 levels by 2030 and to reach economy-wide climate neutrality by 2050.</u></p>	<p>(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.</p>

<p>(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.</p>	<p>(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.</p>	<p>(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 <i>or disrupted</i>. 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 <i>to ensure a level playing field and prevent the risk of carbon leakage while ensuring compatibility with WTO rules</i>.</p>
<p>(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.</p>	<p>(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.</p>	<p>(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, <i>in particular small and medium-sized enterprises (SMEs)</i>, and of resources for the administration, while at the same time preserving an equivalent level of flexibility available to operators under the EU ETS.</p>

<p>(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.</p>	<p>(21) In order to preserve its effectiveness as a measure preventing carbon leakage measure, the CBAM needs to reflect closely the EU ETS price. While on the EU ETS market the price of allowances released into the market 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.</p>	<p>(21) In order to preserve its effectiveness as a carbon leakage measure and to ensure compatibility with 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.</p>
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<p>(22) Under the EU ETS, the total number of allowances issued (the ‘cap’) determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The carbon price is determined by the balance of this supply against the demand of the market. Scarcity is necessary for there to be a price incentive. As it is not possible to impose a cap on the number of CBAM certificates available to importers, if importers had the possibility to carry forward and trade CBAM certificates, this could result in situations where the price for CBAM certificates would no longer reflect the evolution of the price in the EU ETS. That would weaken the incentive for decarbonisation between domestic and imported goods, favouring carbon leakage and impairing the overarching climate objective of the CBAM. It could also result in different prices for operators of different countries. Therefore, the limits to the possibilities to trade CBAM certificates and to carry them forward is justified by the need to avoid undermining the effectiveness and climate objective of the CBAM and to ensure even handed treatment to operators from different countries. However, in order to preserve the possibility for importers to optimise their costs, this Regulation should foresee a system where authorities can re-purchase a certain amount of excess certificates from the importers. Such amount is set at a level which allows a reasonable margin for importers to leverage their costs over the period of validity of the certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.</p>	<p>(22) Under the EU ETS, the total number of allowances issued (the ‘cap’) determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The carbon price is determined by the balance of this supply against the demand of the market. Scarcity is necessary for there to be a price incentive. As it is not possible<u>intended</u> to impose a cap on the number of CBAM certificates available to importers, if importers had the possibility to carry forward and trade CBAM certificates, this could result in situations where the price for CBAM certificates would no longer reflect the evolution of the price in the EU ETS. That would weaken the incentive for decarbonisation between domestic and imported goods, favouring carbon leakage and impairing the overarching climate objective of the CBAM. It could also result in different prices for operators of different countries. Therefore, the limits to the possibilities to trade CBAM certificates and to carry them forward is justified by the need to avoid undermining the effectiveness and climate objective of the CBAM and to ensure even handed treatment to operators from different countries. However, in order to preserve the possibility for importers to optimise their costs, this Regulation should foresee a system where authorities can re-purchase a certain amount of excess certificates from the importers. Such amount is set at a level which allows a reasonable margin for importers to leverage their costs over the period of validity of the certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.</p>	<p>(22) Under the EU ETS, the total number of allowances issued (the ‘cap’) determines the supply of emission allowances and provides certainty about the maximum emissions of GHG. The carbon price is determined by the balance of this supply against the demand of the market. Scarcity is necessary for there to be a price incentive. As it is not possible to impose a cap on the number of CBAM certificates available to importers, if importers had the possibility to carry forward and trade CBAM certificates, this could result in situations where the price for CBAM certificates would no longer reflect the evolution of the price in the EU ETS. That would weaken the incentive for decarbonisation between domestic and imported goods, favouring carbon leakage and impairing the overarching climate objective of the CBAM. It could also result in different prices for operators of different countries. Therefore, the limits to the possibilities to trade CBAM certificates and to carry them forward is justified by the need to avoid undermining the effectiveness and climate objective of the CBAM and to ensure even handed treatment to operators from different countries. However, in order to preserve the possibility for importers to optimise their costs, this Regulation should foresee a system where authorities can re-purchase a certain amount of excess certificates from the importers. Such amount is set at a level which allows a reasonable margin for importers to leverage their costs over the period of validity of the certificates whilst preserving the overall price transmission effect, ensuring that the environmental objective of the measure is preserved.</p>
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<p>(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, certain adaptations and simplifications would also need to apply in the CBAM regime. One of those simplifications should consist in a declarative system where importers should report the total verified GHG emissions embedded in goods imported in a given calendar year. A different timing compared to the compliance cycle of the EU ETS should also be applied to avoid any potential bottleneck resulting from obligations for accredited verifiers under this Regulation and the EU ETS.</p>	<p>(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, certain adaptations and simplifications would also need to apply in the CBAM regime. One of those simplifications should consist in a declarative system where importers should report the total verified GHG emissions embedded in goods imported in a given calendar year. A different timing compared to the compliance cycle of the EU ETS should also be applied to avoid any potential bottleneck resulting from obligations for accredited verifiers under this Regulation and the EU ETS.</p>	<p>(23) Given that the CBAM applies to imports of goods into the customs territory of the Union rather than to installations, certain adaptations and simplifications would also need to apply in the CBAM regime. One of those simplifications should consist in a <i>simple and accessible</i> declarative system where importers should report the total verified GHG emissions embedded in goods imported in a given calendar year. A different timing compared to the compliance cycle of the EU ETS should also be applied to avoid any potential bottleneck resulting from obligations for accredited verifiers under this Regulation and the EU ETS.</p>
		<p><i>(23a) 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 this Regulation.</i></p>

<p>(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.</p>	<p>(24) In terms of sanctionspenalties, 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. <u>However, where the goods are introduced into the Union by a person other than an authorised CBAM declarant without complying with the obligations of this Regulation, the amount of those penalties should be higher in order to be effective and dissuasive. The application of penalties under this Regulation is without prejudice to application of penalties that may be imposed under Union or national law for the infringement of other relevant obligations, in particular as regards custom rules.</u></p>	<p>(24) <i>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 practice of circumvention, including 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 CBAM 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.</i></p>
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<p>(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 nomenclature ('CN') and linking them to embedded GHG emissions.</p>	<p>(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 nomenclature ('CN') and linking them to embedded GHG emissions.</p>	<p>(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 nomenclature ('CN') and linking them to embedded GHG emissions.</p>
<p>(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.</p>	<p>(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.</p>	<p>(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. <i>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.</i></p>
<p>(27) Setting a product scope for the CBAM reflecting the activities covered by the EU ETS would also contribute to ensuring that imported products are granted a treatment that is not less favourable than that accorded to like products of domestic origin.</p>	<p>(27) Setting a product scope for the CBAM reflecting the activities covered by the EU ETS would also contribute to ensuring that imported products are granted a treatment that is not less favourable than that accorded to like products of domestic origin.</p>	<p>(27) Setting a product scope for the CBAM reflecting the activities covered by the EU ETS would also contribute to ensuring that imported products are granted a treatment that is not less favourable than that accorded to like products of domestic origin.</p>
<p>(28) Whilst the ultimate objective of the CBAM is a broad product coverage, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708.</p>	<p>(28) Whilst the ultimate objective of the CBAM is a broad product coverage, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708.</p>	<p>(28) Whilst the ultimate objective of the CBAM is a broad product coverage, it would be prudent to start with a selected number of sectors with relatively homogeneous products where there is a risk of carbon leakage. Union sectors deemed at risk of carbon leakage are listed in Commission Delegated Decision 2019/708.</p>

<p>(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.</p>	<p>(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 emissions embedded in emission-intensive products imported into the Union are on equal footing with<u>subject to a carbon price that is equivalent to that applied to</u> 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.</p>	<p>(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 <i>for Union industry, companies and SMEs</i>. 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. <i>Specific attention should also be paid to avoid any risk of market distortions between the different sectors covered by the CBAM.</i></p>
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<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
<p>(31) However, certain sectors listed in Commission Delegated Decision (EU) 2019/708 should not at this stage be addressed in this Regulation, due to their particular characteristics.</p>	<p>(31) However, certain sectors listed in Commission Delegated Decision (EU) 2019/708 should not at this stage be addressed in this Regulation, due to their particular characteristics.</p>	<p>(31) However, certain sectors listed in Commission Delegated Decision (EU) 2019/708 should not at this stage be addressed in this Regulation, due to their particular characteristics.</p>
<p>(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.</p>	<p>(32) In particular, organic chemicals are not included in the scope of this Regulation due to technical limitations that currently 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.</p>	<p>[deleted]</p>
<p>(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.</p>	<p>(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.</p>	<p>(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. <i>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.</i></p>

<p>(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.</p>	<p>(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<u>could</u> be extended to cover also indirect emissions in<u>at the future end of the transitional phase</u>.</p>	<p>(34) <i>However,</i> 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 covers indirect emissions in <i>the future.</i></p>
<p>(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.</p>	<p>(35) Similarly, <u>products such as</u> tubes and pipe fittings, <u>or structures</u>, should be included in the scope of the CBAM despite their low level of <u>embedded emissions occurring during their production process</u>, 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.</p>	<p>(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.</p>
<p>(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).</p>	<p>(36) Conversely, this Regulation should not apply to certain products whose production does not entail meaningful emissions like ferrous scrap (under CN code <u>7204</u>), ferro-alloys (CN code <u>7202</u>) and certain fertilisers (under CN code <u>3105_60_00</u>).</p>	<p>(36) Conversely, this Regulation should not apply <i>at a first stage</i> 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).</p>

<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
	<p><u>(37a) In order to avoid excessive burden as regards competent national administrations and importers, it is appropriate to provide a minimum threshold under which the obligations under this Regulation should not apply. This de minimis provision, however, is without prejudice to a continued application of the provisions under Union or national law that are necessary to ensure compliance with the obligations under this Regulation as well as, in particular, with the customs rules, including prevention of fraud.</u></p>	
<p>(38) As importers of goods covered by this Regulation should not have to fulfil their CBAM obligations under this Regulation at the time of importation, specific administrative measures should be applied to ensure that the obligations are fulfilled at a later stage. Therefore, importers should only be entitled to import CBAM goods after they have been granted an authorisation by competent authorities responsible for the application of this Regulation.</p>	<p>(38) As importers of goods covered by this Regulation should not have to fulfil their CBAM obligations under this Regulation at the time of importation, specific administrative measures should be applied to ensure that the obligations are fulfilled at a later stage. Therefore, importers should only be entitled to import CBAM goods after they have been granted an authorisation by competent authorities responsible for the application of this Regulation.</p>	<p>(38) As importers of goods covered by this Regulation should not have to fulfil their CBAM obligations under this Regulation at the time of importation, specific administrative measures should be applied to ensure that the obligations are fulfilled at a later stage. Therefore, importers should only be entitled to import CBAM goods after they have been granted an authorisation by competent authorities responsible for the application of this Regulation.</p>

	<p><u>(38a) The customs authorities should not allow the importation of goods by any other person than an authorised CBAM declarant. In accordance with Article 46 and 48 of Regulation (EU) No 952/2013, the customs authorities may carry out checks on the goods, including with respect to the identification of the authorised CBAM declarant, the eight-digit CN code, the quantity and the country of origin of the imported goods, the date of declaration and the customs procedure. The Commission should 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.</u></p>	
	<p><u>(38b) During a transitional period, the customs authorities should inform customs declarants of the need to report information, so as to contribute to the gathering of information as well as to the awareness on the need to request the status of authorised declarant when applicable. Such information by the customs authorities should be communicated in an appropriate manner to ensure that customs declarants are made aware of such need.</u></p>	
<p>(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.</p>	<p>(39) The CBAM should be based on a declarative system where an authorised CBAM 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.</p>	<p>(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.</p>
<p>(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.</p>	<p>(40) An authorised CBAM declarant should be allowed to claim a reduction in the number of CBAM certificates to be surrendered corresponding to the carbon price already effectively paid for those emissions in other jurisdictions.</p>	<p>(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.</p>

<p>(41) The embedded declared emissions should be verified by a person accredited by a national accreditation body appointed in accordance with Article 4(1) of Regulation No 765/2008 of the European Parliament and of the Council or pursuant to Commission Implementing Regulation (EU) 2018/2067.</p>	<p>(41) The embedded declared emissions should be verified by a person accredited by a national accreditation body appointed in accordance with Article 4(1) of Regulation No 765/2008 of the European Parliament and of the Council or pursuant to Commission Implementing Regulation (EU) 2018/2067.</p>	<p>(41) The embedded declared emissions should be verified by a person accredited by a national accreditation body appointed in accordance with Article 4(1) of Regulation No 765/2008 of the European Parliament and of the Council or pursuant to Commission Implementing Regulation (EU) 2018/2067.</p>
<p>(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.</p>	<p>(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 CBAM 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.</p>	<p>(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.</p>
<p>(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.</p>	<p>(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 released into the market 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.</p>	<p>(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.</p>

<p>(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.</p>	<p>(44) In order to give the authorised CBAM declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised CBAM declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised CBAM declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.</p>	<p>(44) In order to give the authorised declarants flexibility in complying with their CBAM obligations and allow them to benefit from fluctuations in the price of EU ETS allowances, the CBAM certificates should be valid for a period of two years from the date of purchase. The authorised declarant should be allowed to re-sell to the national authority a portion of the certificates bought in excess. The authorised declarant should build up during the year the amount of certificates required at the time of surrendering, with thresholds set at the end of each quarter.</p>
<p>(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.</p>	<p>(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 CBAM 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.</p>	<p>(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 <i>verified</i> emissions. <i>Default values should only be used if data on actual emissions is unavailable.</i> 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.</p>

<p>(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. .</p>	<p>(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. ▫</p>	<p>(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. .</p>
		<p><i>(46a) To reduce the risk of carbon leakage as well as to ensure a level playing field for Union industry, all practices of circumvention should be prohibited. The Commission should evaluate the risk of practices of circumvention 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 combined nomenclature ('CN') code. The Commission should be empowered to adopt, where appropriate, delegated acts to strengthen anti-circumvention measures.</i></p>

<p>(47) Contracting Parties to the Treaty establishing the Energy Community 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.</p>	<p>(47) Contracting Parties to the Treaty establishing the Energy Community 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.</p>	<p>(47) Contracting Parties to the Treaty establishing the Energy Community 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.</p>
<p>(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) 2015/1222, 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.</p>	<p>(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) 2015/1222, 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.</p>	<p>(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) 2015/1222, 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.</p>

<p>(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.</p>	<p>(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.</p>	<p>(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.</p>
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<p>(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.</p>	<p>(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<u>Importers</u> should have to report on a quarterly basis the <u>actual</u> embedded emissions in goods imported during the transitional period<u>that quarter of a calendar year</u>, detailing direct and indirect emissions as well as any carbon price <u>effectively</u> paid abroad.</p>	<p>(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.</p>
<p>(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.</p>	<p>(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 <u>certain tasks of</u> this Regulation in carrying out their obligations.</p>	<p>[deleted]</p>
	<p><u>(51a) Practices of circumvention of this Regulation should be monitored and addressed, including where economic operators could slightly modify their goods without altering their essential characteristics, or artificially split shipments, in order to avoid the obligations of this Regulation. Situations where goods would be sent to a country or region prior to their importation to the EU market, with the aim of avoiding the obligations of this Regulation, or where countries would export their less GHG emissions intensive products to the Union and keep more GHG emissions intensive products for other markets should also be kept under review.</u></p>	

		<p><i>(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.</i></p>
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<p>(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 methods .</p>	<p>(52) The Commission should evaluate the application of this Regulation before the end of the transitional period<u>1 January 2026</u> 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<u>The Commission should</u>, as part of that evaluation, initiate collection of<u>collect the</u> information necessary with a view to possibly extend<u>the extension of</u> the scope of this Regulation to indirect emissions as soon as possible, as well as to other goods and services that may be at risk of carbon leakage. <u>The Commission should also contain an assessment of the impact of the mechanism on carbon leakage, including in relation to exports, and to develop methods of calculating embedded</u><u>the economic, social and territorial impact throughout the Union, as well as the impact to competitiveness within the internal market, taking into account the special characteristics and constraints of outermost regions and island States which are part of the customs territory of the Union. With regard to indirect emissions-based, the evaluation should take into account the exposure of EU producers to carbon costs passed on the environmental footprint methods in electricity prices.</u></p>	<p>(52) The Commission should regularly evaluate the application of this Regulation and report to the European Parliament and the Council. <i>The reports</i> 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 <i>the first</i> evaluation, initiate collection of information necessary to possibly <i>further</i> extend the scope <i>of Annex I</i>, to other goods and services at risk of carbon leakage, <i>such as downstream products</i>, and to develop methods of calculating embedded emissions based on the environmental footprint methods⁴⁷. <i>The Commission should focus its subsequent evaluations on the impact on competitiveness of Union industry and downstream industry, impact on SMEs, possible disproportionate administrative burden, possible practices of circumvention, 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.</i></p>
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	<p><u>(52a) The Commission should also present a report to the European Parliament and the Council on the application of this Regulation before 1 January 2029, and every two years thereafter. These reports should contain an assessment of the impacts of the mechanism.</u></p>	<p><i>(52a) 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 the CBAM, the Commission should put forward a legislative proposal, as appropriate, amending this Regulation. Such a 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.</i></p>
<p>(53) In light of the above, a dialogue with third countries should continue and there should be space for cooperation and solutions that could inform the specific choices that will be made on the details of the design of the measure during the implementation, in particular during the transitional period.</p>	<p>(53) In light of the above, a dialogue with third countries should continue and there should be space for cooperation and solutions that could inform the specific choices that will be made on the details of the design of the measure during the implementation, in particular during the transitional period.</p>	<p>(53) In light of the above, a dialogue with third countries should continue and there should be space for cooperation and solutions that could inform the specific choices that will be made on the details of the design of the measure during the implementation, in particular during the transitional period.</p>
		<p><i>(53a) Alongside dialogue with third countries, the Commission should, at each stage after the entry into force of this Regulation, engage with all interested parties of the sectors covered by this Regulation, including industry representatives, trade unions and civil society.</i></p>

<p>(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.</p>	<p>(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. <u>The EU should provide technical assistance to developing countries and Least Developed Countries for these purposes.</u></p>	<p>(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.</p>
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	<p><u>(54a) The establishment of the CBAM calls for the development of bilateral, multilateral and international cooperation with third countries, including through the parallel setting up of an alliance of countries with carbon pricing instruments or other comparable instruments ('climate club'), in order to promote the implementation of ambitious climate policies in all countries and pave the way for global carbon pricing.</u></p>	<p><i>(54a) The Commission should actively pursue the establishment of an international "Carbon club" in order to ensure continuous exchange in good faith with the Union's trade partners. This should be an open non-exclusive international forum, which could be located under an appropriate multilateral organisation such as the WTO or the relevant and open body of the OECD for instance. Its objective should be to allow for the comparison and coordination of carbon pricing measures as well as non-carbon pricing measures with an impact on emission reduction. The Carbon club should also support the comparability of climate measures by ensuring the quality of climate monitoring, reporting and verification among its members. Membership of the club should be informal, open and on a voluntary basis for countries aiming at high climate ambition in line with the Paris Agreement. Given that the CBAM is a first-of-a-kind measure, which is meant to be a cooperative tool designed to fight carbon leakage, such a Carbon club will provide the means for engagement and transparency between the Union and its trade partners.</i></p>
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<p>(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.</p>	<p>(55) As the CBAM aims to encourage cleaner production processes, the EU stands ready <u>is committed</u> to work with and support low and middle-income countries towards the de-carbonisation of their manufacturing industries. Moreover, <u>as part of the external dimension of the Green deal and in line with its international obligations under the Paris Agreement. The Union should support less developed these countries, especially Least Developed Countries (LDCs) as identified by the United Nations, with the necessary technical assistance in order to facilitate contribute to ensuring their adaptation to the new obligations established by this regulation. Regulation.</u></p>	<p>(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. <i>While the revenues generated by the sale of CBAM certificates will enter the Union budget as general income and should not be assigned to any specific Union budget expenditure, in light of the universality principle governing the Union budget, the Union 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 Union 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. The necessary adjustments to the budgetary</i></p>
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<p>(56) The provisions of this Regulation are without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council and 2018/1725 of the European Parliament and of the Council.</p>	<p>(56) The provisions of this Regulation are without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council and 2018/1725 of the European Parliament and of the Council.</p>	<p>(56) The provisions of this Regulation are without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council and 2018/1725 of the European Parliament and of the Council.</p>
<p>(57) In the interest of efficiency, the provisions of Council Regulation (EC) No 515/97 should apply.</p>	<p>(57) — In the interest of efficiency, the provisions of Council Regulation (EC) No 515/97 should apply.</p>	<p>(57) In the interest of efficiency, the provisions of Council Regulation (EC) No 515/97 should apply.</p>
		<p><i>(57a) The Commission should regularly monitor any changes in trade flows from least developed countries attributable to the CBAM in order to evaluate the efficiency of this Regulation, including its contribution to the prevention of carbon leakage and its impact on trade flows between the Union and least developed countries. The Commission should also regularly monitor the technical assistance provided to least developed countries in order to evaluate its effectiveness in contributing to the decarbonisation process in those countries.</i></p>
<p>(58) In order to remedy circumvention of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of supplementing the list of goods in Annex I.</p>	<p>(58) In order to remedy circumvention of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of supplementing the list of goods in Annex I.</p>	<p>(58) In order to remedy circumvention of the provisions of this Regulation, the power to adopt acts in accordance with Article 290 of TFEU should be delegated to the Commission in respect of supplementing the list of goods in Annex I.</p>

<p>(59) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>	<p>(59) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>	<p>(59) It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at <i>the level of the relevant experts and industrial sectors</i>, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016⁵¹. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.</p>
<p>(60) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.</p>	<p>(60) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.</p>	<p>(60) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.</p>

<p>(61) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties.</p>	<p>(61) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties.</p>	<p>(61) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, administrative and financial penalties. <i>According to Europol, carbon credit fraud has cost more than EUR 5 billion in lost government revenues. The CBAM should therefore introduce appropriate and effective mechanisms for avoiding losses of government revenues.</i></p>
		<p><i>(61a) The CBAM authority should be funded in a way to guarantee its viable functioning, and enable sound financial management. Any costs of the establishment and operation of the authority should be borne by the general income of the Union budget.</i></p>
<p>HAVE ADOPTED THIS REGULATION:</p>	<p>HAVE ADOPTED THIS REGULATION:</p>	<p>HAVE ADOPTED THIS REGULATION:</p>
<p>Chapter I Subject matter, scope and definitions</p>	<p>Chapter I Subject matter, scope and definitions</p>	<p>Chapter I Subject matter, scope and definitions</p>
<p><i>Article 1 Subject matter</i></p>	<p><i>Article 1 Subject matter</i></p>	<p><i>Article 1 Subject matter</i></p>

<p>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.</p>	<p>1. This Regulation establishes a carbon border adjustment mechanism (the ‘CBAM’) for addressing greenhouse gas emissions embedded in the goods referred to referred to listed in Annex I, upon their importation into the customs territory of the Union, in order to prevent the risk of carbon leakage.</p>	<p>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.</p>
<p>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.</p>	<p>2. The CBAM complements the system established for greenhouse gas emission allowance trading within the Union established 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 of this Regulation.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>Article 2 Scope</p>	<p>Article 2 Scope</p>	<p>Article 2 Scope</p>

<p>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 Council, are imported into the customs territory of the Union.</p>	<p>1. This Regulation applies to goods as listed in Annex I, originating in a third country, when<u>where</u> 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 Council, are imported into the customs territory of the Union.</p>	<p>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 Council, are imported into the customs territory of the Union.</p>
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		<p>1a. By 1 January 2030 this Regulation shall apply to all sectors covered by Directive 2003/87/EC.</p> <p>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. The Commission shall give priority in that 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.</p> <p>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.</p> <p>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.</p>
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<p>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.</p>	<p>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. <u>2. This Regulation also applies to goods listed in Annex I originating in a third country, where 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 Council, are brought to an artificial island, a fixed or floating installation, or any other structure on the continental shelf or in the exclusive economic zone of a Member State that are adjacent to the customs territory of the Union. The Commission shall adopt implementing acts laying down detailed conditions for the application of the CBAM to such goods, in particular as regards notions equivalent to those of importation into the customs territory of the Union and of release into free circulation, as regards the procedures relating to the submission of the CBAM declaration in respect of such goods and the controls to be carried out by customs authorities. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</u></p>	<p>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.</p>
	<p><u>2a. By way of derogation from paragraphs 1 and 2, this Regulation shall not apply to goods listed in Annex I and imported into the customs territory of the Union the intrinsic value of which does not exceed a total of EUR 150 per consignment.</u></p>	
<p>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.</p>	<p>3. By way of derogation from paragraphs 1 and 2, this Regulation does<u>shall</u> not apply to goods originating in countries and territories listed in Annex II, Section A.</p>	<p>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.</p>

<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>5. Countries and territories shall be listed in Annex II, Section A, subject to the cumulative fulfilment of the following conditions: :</p>	<p>5. Countries and territories shall be listed in Annex II, Section A, subject to the cumulative fulfilment of the following conditions: ÷</p>	<p>5. Countries and territories shall be listed in Annex II, Section A, subject to the cumulative fulfilment of the following conditions: :</p>
<p>(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;</p>	<p>(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 <u>emission trading system of that</u> third country or territory <u>emission trading system</u>;</p>	<p>(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;</p>
<p>(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.</p>	<p>(b) the <u>carbon</u> price paid in the country <u>wherein which</u> the goods <u>are originating in originate</u> is effectively charged on <u>the emissions embedded in</u> those goods without any rebate beyond those also applied in the EU ETS.</p>	<p>(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.</p>
<p>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).</p>	<p>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). 6. (deleted)</p>	<p>6. The Commission is empowered to adopt <i>delegated acts in accordance with Article 28</i> in order to <i>supplement this Regulation by setting out</i> the conditions for applying the CBAM to goods referred to in paragraph 2.</p>
<p>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:</p>	<p>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 <u>there is no</u> 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 <u>assessed by the Commission as being satisfied in accordance with paragraph 8</u>:</p>	<p>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:</p>

<p>(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;</p>	<p>(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;</p>	<p>(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;</p>
<p>(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;</p>	<p>(b) the national-law domestic legislation 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;</p>	<p>(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;</p>
<p>(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);</p>	<p>(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);</p>	<p>(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);</p>
<p>(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;</p>	<p>(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;</p>	<p>(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;</p>

<p>(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;</p>	<p>(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 emissions trading system for electricity, with a price equivalent to the EU ETS, shall be finalised by 1 January 2030;</p>	<p>(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 2028;</p>
<p>(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).</p>	<p>(f) the third country or territory has put in place an effective system to prevent indirect import of electricity in the Union from other third countries not meeting the requirements set out in points (a) to (e).</p>	<p>(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).</p>

<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>9. A third country or territory listed in Annex II, Section B of this Regulation, shall be removed from that list:</p>	<p>9. A third country or territory listed in Annex II, Section B of this Regulation, shall be removed from that list:</p>	<p>9. A third country or territory listed in Annex II, Section B of this Regulation, shall be removed from that list:</p>
<p>(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;</p>	<p>(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;</p>	<p>(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;</p>
<p>(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.</p>	<p>(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 ggrammes of fossil fuel origin per kWhkilowatt-hour of electricity.</p>	<p>(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.</p>

		<i>(ba) 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.</i>
<p>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.</p>	<p>10. The Commission is empowered to adopt delegated acts in accordance with Article 28 to set<u>supplement this Regulation by setting</u> 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.</p>	<p>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.</p>
<p>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.</p>	<p>11. The Commission is empowered to adopt delegated acts in accordance with Article 28 to amend the lists of <u>third countries or territories set out</u> in Annex II, Sections A or B, by either adding or removing a <u>third country or territory</u>, depending on whether the conditions set out in paragraphs 5, 7 or 9 are satisfied<u>fulfilled in respect of that third country or territory</u>.</p>	<p>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.</p>

<p>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.</p>	<p>12. The Union, may conclude agreements with third countries with a view to take account of carbon pricing mechanisms in thesesuch countries in the application of Article 9.</p>	<p>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. <i>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).</i></p>
<p>Article 3 Definitions</p>	<p>Article 3 Definitions</p>	<p>Article 3 Definitions</p>
<p>For the purposes of this Regulation, the following definitions apply:</p>	<p>For the purposes of this Regulation, the following definitions apply:</p>	<p>For the purposes of this Regulation, the following definitions apply:</p>
<p>(1) ‘goods’ mean goods listed in Annex 1;</p>	<p>(1) ‘goods’ mean goods listed in Annex 1;</p>	<p>(1) ‘goods’ mean goods listed in Annex 1;</p>
<p>(2) ‘greenhouse gases’ mean greenhouse gases as specified in Annex I in relation to each of the goods listed in that Annex;</p>	<p>(2) ‘greenhouse gases’ mean greenhouse gases as specified in Annex I in relation to each of the goods listed in that Annex;</p>	<p>(2) ‘greenhouse gases’ mean greenhouse gases as specified in Annex I in relation to each of the goods listed in that Annex;</p>
<p>(3) ‘emissions’ mean the release of greenhouse gases into the atmosphere from the production of goods;</p>	<p>(3) ‘emissions’ mean the release of greenhouse gases into the atmosphere from the production of goods;</p>	<p>(3) ‘emissions’ mean the release of greenhouse gases into the atmosphere from the production of goods;</p>
<p>(4) ‘importation’ means the release for free circulation provided for in Article 201 of Regulation (EU) No 952/2013;</p>	<p>(4) ‘importation’ means the release for free circulation provided for in Article 201 of Regulation (EU) No 952/2013;</p>	<p>(4) ‘importation’ means the release for free circulation provided for in Article 201 of Regulation (EU) No 952/2013;</p>
<p>(5) ‘EU ETS’ means the system for greenhouse gas emissions allowance trading within the Union in respect of activities listed in Annex I to Directive 2003/87/EC other than aviation activities;</p>	<p>(5) ‘EU ETS’ means the system for greenhouse gas emissions allowance trading within the Union in respect of activities listed in Annex I to Directive 2003/87/EC other than aviation activities;</p>	<p>(5) ‘EU ETS’ means the system for greenhouse gas emissions allowance trading within the Union in respect of activities listed in Annex I to Directive 2003/87/EC other than aviation activities;</p>
	<p><u>(5a) ‘customs territory’ is the territory as defined in Article 4 of Regulation (EU) 952/2013;</u></p>	
<p>(6) ‘third country’ means a country or territory outside the customs territory of the Union;</p>	<p>(6) ‘third country’ means a country or territory outside the customs territory of the Union;</p>	<p>(6) ‘third country’ means a country or territory outside the customs territory of the Union;</p>

(7) 'continental shelf' means the continental shelf as defined in the United Nations Convention on the Law of the Sea;	(7) 'continental shelf' means the continental shelf as defined in the United Nations Convention on the Law of the Sea;	(7) 'continental shelf' means the continental shelf as defined in the United Nations Convention on the Law of the Sea;
(8) 'exclusive economic zone' means the exclusive economic zone as defined in the United Nations Convention on the Law of the Sea and which has been declared as exclusive economic zone by a Member State pursuant to that convention;	(8) 'exclusive economic zone' means the exclusive economic zone as defined in the United Nations Convention on the Law of the Sea and which has been declared as exclusive economic zone by a Member State pursuant to that convention;	(8) 'exclusive economic zone' means the exclusive economic zone as defined in the United Nations Convention on the Law of the Sea and which has been declared as exclusive economic zone by a Member State pursuant to that convention;
	<u>(8a) 'intrinsic value' means the intrinsic value for commercial goods as defined in Article 1(48) of Commission Delegated Regulation (EU) 2015/2446;</u>	
(9) 'market coupling' means allocation of transmission capacity via an Union system which simultaneously matches orders and allocates cross-zonal capacities as set out in Commission Regulation (EU) 2015/1222;	(9) 'market coupling' means allocation of transmission capacity via an Union system which simultaneously matches orders and allocates cross-zonal capacities as set out in Commission Regulation (EU) 2015/1222;	(9) 'market coupling' means allocation of transmission capacity via an Union system which simultaneously matches orders and allocates cross-zonal capacities as set out in Commission Regulation (EU) 2015/1222;
(10) 'explicit capacity allocation' means the allocation of cross-border transmission capacity separate from the trade of electricity;	(10) 'explicit capacity allocation' means the allocation of cross-border transmission capacity separate from the trade of electricity;	(10) 'explicit capacity allocation' means the allocation of cross-border transmission capacity separate from the trade of electricity;
(11) 'competent authority' means the authority, designated by each Member State in accordance with Article 11 of this Regulation;	(11) 'competent authority' means the authority, designated by each Member State in accordance with Article 11 of this Regulation;	(11) ' CBAM authority' means the authority established in accordance with Article 11 of this Regulation;
(12) 'customs authorities' mean the customs administrations of Member States as defined in Article 5(1) of Regulation (EU) No 952/2013;	(12) 'customs authorities' mean the customs administrations of Member States as defined in Article 5(1) of Regulation (EU) No 952/2013;	(12) 'customs authorities' mean the customs administrations of Member States as defined in Article 5(1) of Regulation (EU) No 952/2013;
(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;	(13) ' declarant'importer' means either the person lodging a customs declaration for release for free circulation of goods in its own name and on its own behalf or, where the customs declaration is lodged by an indirect customs representative in accordance with Article 18 of Regulation (EU) No 952/2013 , the person in whose name behalf such a declaration is lodged in accordance with Regulation (EU) No 952/2013 ;	(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;

	<u>(13a) ‘customs declarant’ means the declarant as defined in Article 5(15) of Regulation (EU) No 952/2013 lodging a customs declaration for release for free circulation of goods in its own name or the person in whose name such a declaration is lodged;</u>	
	<u>(13b) ‘authorised CBAM declarant’ is a person authorised by the competent authority in accordance with Article 17;</u>	
(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;	(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;	(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;
	<u>(14a) ‘person established in a Member State’ means:</u>	
	<u>(a) in the case of a natural person, any person who has his or her residence in the Member State;</u>	
	<u>(b) in the case of a legal person or an association of persons, any person having its registered office, central headquarters or a permanent business establishment in the Member State;</u>	
	<u>(14b) ‘Economic Operators Registration and Identification number’ (EORI number) shall be the number as assigned by the customs authority during the registration for customs purposes in accordance with Article 9 of Regulation (EU) No 952/2013;</u>	
(15) ‘direct emissions’ mean emissions from the production processes of goods over which the producer has direct control;	(15) ‘direct emissions’ mean emissions from the production processes of goods over which, <u>including emissions from heating and cooling used for the production process</u> the producer has direct control <u>regardless of the location of the production of the heating and cooling, and including electricity produced within the boundaries of the installation producing the goods;</u>	(15) ‘direct emissions’ mean emissions from the production processes of goods over which the producer has direct control, <i>including emissions from the production of heating and cooling consumed during the production processes;</i>

<p>(16) ‘embedded emissions’ mean direct emissions released during the production of goods, calculated pursuant to the methods set out in Annex III;</p>	<p>(16) ‘embedded emissions’ mean direct emissions released during the production of goods, calculated pursuant to the methods set out in Annex III;</p>	<p>(16) ‘embedded emissions’ mean direct <i>and indirect</i> emissions released during the production <i>of goods and the electricity consumed during the production processes</i> of goods, calculated pursuant to the methods set out in Annex III;</p>
<p>(17) ‘tonne of CO₂e’ means one tonne of carbon dioxide (‘CO₂’) or CO₂, nitrous oxide and perfluorocarbons as referred for goods in Annex I;</p>	<p>(17) ‘tonne of CO₂e’ means one <u>metric</u> tonne of carbon dioxide (‘CO₂’), or <u>CO₂, nitrous oxide and perfluorocarbons as referred for goods</u> <u>an amount of any other greenhouse gas listed in Annex I with an equivalent global warming potential</u>;</p>	<p>(17) ‘tonne of CO₂e’ means one tonne of carbon dioxide (‘CO₂’) or CO₂, nitrous oxide and perfluorocarbons as referred for goods in Annex I;</p>
<p>(18) ‘CBAM certificate’ means a certificate in electronic format corresponding to one tonne of embedded emissions in goods;</p>	<p>(18) ‘CBAM certificate’ means a certificate in electronic format corresponding to one tonne of embedded emissions in goods;</p>	<p>(18) ‘CBAM certificate’ means a certificate, <i>common to all Member States</i>, in electronic format corresponding to one tonne of embedded emissions in goods;</p>
<p>(19) ‘surrender’ means offsetting of CBAM certificates against the declared embedded emissions in imported goods;</p>	<p>(19) ‘surrender’ means offsetting of CBAM certificates against the declared embedded emissions in imported goods;</p>	<p>(19) ‘surrender’ means offsetting of CBAM certificates against the declared embedded emissions in imported goods;</p>
<p>(20) ‘production processes’ mean the chemical and physical processes carried out to produce goods in an installation;</p>	<p>(20) ‘production processes’ mean the chemical and physical processes carried out to produce goods in an installation;</p>	<p>(20) ‘production processes’ mean the chemical and physical processes carried out to produce goods in an installation;</p>
<p>(21) ‘default value’ means a value that is calculated or drawn from secondary data representing embedded emissions in goods;</p>	<p>(21) ‘default value’ means a value that is calculated or drawn from secondary data representing embedded emissions in goods;</p>	<p>(21) ‘default value’ means a value that is calculated or drawn from secondary data representing embedded emissions in goods;</p>
<p>(22) ‘actual emissions’ mean the emissions calculated based on primary data from the production processes of goods;</p>	<p>(22) ‘actual emissions’ mean the emissions calculated based on primary data from the production processes of goods;</p>	<p>(22) ‘actual emissions’ mean the emissions calculated <i>and verified</i> based on primary data from the production processes of goods <i>and from the production of electricity consumed during the production processes of goods</i>;</p>

<p>(23) 'carbon price' means the monetary amount paid in a third country in the form of a tax or emission allowances under a greenhouse gas emissions trading system, calculated on greenhouse gases covered by such a measure and released during the production of goods;</p>	<p>(23) 'carbon price' means the monetary amount paid in a third country in the form of a tax or emission allowances under a greenhouse gas emissions trading system, calculated on greenhouse gases covered by such a measure and released during the production of goods;</p>	<p>(23) 'carbon price' means the monetary amount paid in a third country in the form of a tax, <i>fee</i> or emission allowances under a greenhouse gas emissions trading system, calculated on greenhouse gases covered by such a measure and released during the production of goods;</p>
<p>(24) 'installation' means a stationary technical unit where a production process is carried out;</p>	<p>(24) 'installation' means a stationary technical unit where a production process is carried out;</p>	<p>(24) 'installation' means a stationary technical unit where a production process is carried out;</p>
<p>(25) 'operator' means any person who operates or controls an installation in a third country;</p>	<p>(25) 'operator' means any person who operates or controls an installation in a third country;</p>	<p>(25) 'operator' means any person who operates or controls an installation in a third country;</p>
<p>(26) 'national accreditation body' means a national accreditation body as appointed by each Member State in accordance with Article 4(1) of Regulation (EC) No 765/2008;</p>	<p>(26) 'national accreditation body' means a national accreditation body as appointed by each Member State in accordance with Article 4(1) of Regulation (EC) No 765/2008;</p>	<p>(26) 'national accreditation body' means a national accreditation body as appointed by each Member State in accordance with Article 4(1) of Regulation (EC) No 765/2008;</p>
<p>(27) 'EU ETS allowance' means an allowance referred to in Article 3(a) of Directive 2003/87/EC in respect of activities listed in Annex I of that Directive other than aviation activities;</p>	<p>(27) 'EU ETS allowance' means an allowance referred to in Article 3(a) of Directive 2003/87/EC in respect of activities listed in Annex I of that Directive other than aviation activities;</p>	<p>(27) 'EU ETS allowance' means an allowance referred to in Article 3(a) of Directive 2003/87/EC in respect of activities listed in Annex I of that Directive other than aviation activities;</p>
<p>(28) 'indirect emissions' mean emissions from the production of electricity, heating and cooling, which is consumed during the production processes of goods.</p>	<p>(28) 'indirect emissions' mean emissions from the production of electricity, heating and cooling, which is consumed during the production processes of goods, <u>excluding electricity produced within the boundaries of the installation producing the goods</u>.</p>	<p>(28) 'indirect emissions' mean <i>greenhouse gas</i> emissions from the production <i>processes</i> of electricity which is consumed during the production processes of goods;</p>
		<p><i>(28a) 'least developed country' means a country included in the list of such countries established by the United Nations Economic and Social Council;</i></p>
		<p><i>(28b) 'CBAM factor' means a factor reducing the free allocation of allowances for the installations producing the goods covered in Annex I;</i></p>

		<i>(28c) ‘downstream products’ means products produced by using goods as listed in Annex I.</i>
Chapter II Obligations and rights of authorised declarants of goods	Chapter II Obligations and rights of authorised CBAM declarants of goods	Chapter II Obligations and rights of authorised declarants of goods
Article 4 <i>Importation of goods</i>	Article 4 <i>Importation of goods</i>	Article 4 <i>Importation of goods</i>
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’).	Goods shall only be imported into the customs territory of the Union by a declarant that is an authorised by the competent authority in accordance with Article 17 (‘authorised declarant’) . <u>CBAM declarant.</u>	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’). <i>[NOTE: The designation ‘CBAM authority’ applies throughout the text. Adopting it will necessitate corresponding changes throughout]</i>
Article 5 <i>Application for an authorisation</i>	Article 5 <i>Application for an authorisation</i>	Article 5 <i>Application for an authorisation</i>
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.	1. Any declarant <u>importer established in a Member State</u> 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 <u>in</u> the customs territory of the Union ., apply for the status of authorised CBAM declarant. Where such importer is using indirect representation in accordance with Article 18 of Regulation (EU) No 952/2013 and where the indirect customs representative agrees to act as an authorised CBAM declarant, the application shall be submitted by such indirect customs representative.	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.
	<u>1a. Where the importer is not established in a Member State, the application referred to in paragraph 1 shall be submitted by the indirect customs representative.</u>	

	<u>1b. Such application shall be submitted through the central registry established in accordance with Article 14.</u>	
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.	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 CBAM 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.	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:	3. The application for an authorisation shall include the following information about the declarant which must be established in the Union applicant:	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;	(a) name, addresses and contact information;	(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;	(b) — Economic Operators Registration and Identification number ('EORI') in accordance with Article 9 of Regulation (EU) No 952/2013; (b) EORI number;	(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;	(c) main economic activity carried out in the Union;	(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;	(d) certification by the tax authority in the Member State, where the declarant applicant is established, that the declarant applicant is not subject to an outstanding recovery order for national tax debts;	(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;

<p>(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;</p>	<p>(e) declaration on honour that the declarantapplicant was not involved in any serious infringements or repeated infringements of either customs legislation, taxation rules and/or market abuse rules during the five years preceding the year of the application, including that it has no record of serious criminal offences relating to its economic activity;</p>	<p>(e) declaration on honour that <i>the declarant or, where applicable, a board member of the declarant</i> 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 <i>the declarant's</i> economic activity;</p>
<p>(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;</p>	<p>(f) information necessary to demonstrate the declarant'sapplicant'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;</p>	<p>(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;</p>
<p>(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 which the application is submitted and for the following calendar year;</p>	<p>(g) estimated monetary value and volume of imports of goods teinto the customs 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;</p>	<p>(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 which the application is submitted and for the following calendar year;</p>
<p>(h) names and contact information of the persons on behalf of whom the declarant is acting, if applicable.</p>	<p>(h) names and contact information of the persons on behalf of whom the declarantapplicant is acting, if applicable.</p>	<p>(h) names and contact information of the persons on behalf of whom the declarant is acting, if applicable.</p>
<p>4. The applicant may at any time withdraw its application.</p>	<p>4. The applicant may at any time withdraw its application.</p>	<p>4. The applicant may at any time modify or withdraw its application.</p>

<p>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.</p>	<p>5. The authorised CBAM declarant shall inform the competent authority without delay of any changes ofto the information provided under paragraph 3, arising of this Article that has occurred after the decision was taken, which may influence granting the decision takenstatus of authorised CBAM declarant has been adopted pursuant to Article 17 and that may influence that decision or the content of the authorisation in accordance with Article 17granted thereunder.</p>	<p>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.</p>
<p>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).</p>	<p>6. The Commission is empowered to adopt implementing acts, concerning the standard format of the application and the delays andprocedures to submit applications through the central registry, the procedure to be followed by the competent authority and the deadlines to comply with when processing applications for authorisation in accordance with paragraph 1, and the rules for identification by the competent authority of the authorised CBAM declarants for the importation of electricity. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>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).</p>
<p style="text-align: center;"><i>Article 6 CBAM declaration</i></p>	<p style="text-align: center;"><i>Article 6 CBAM declaration</i></p>	<p style="text-align: center;"><i>Article 6 CBAM declaration</i></p>
<p>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.</p>	<p>1. By 31 May of each year, each authorised CBAM declarant shall submit to the competent authority a CBAM declaration ('CBAM declaration'), for the preceding calendar year preceding the. Such CBAM declaration, to the competent authority, shall be submitted through the central registry established in accordance with Article 14.</p>	<p>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.</p>
<p>2. The CBAM declaration shall contain the following:</p>	<p>2. The CBAM declaration shall contain the following:</p>	<p>2. The CBAM declaration shall contain the following:</p>

<p>(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;</p>	<p>(a) the total quantity of each type of goods imported during the preceding calendar year preceding the declaration, expressed in megawatt- hours for electricity and in tonnes for other goods;</p>	<p>(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;</p>
<p>(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;</p>	<p>(b) the total embedded emissions in those goods, expressed in tonnes of CO2e emissions per megawatt-hour of electricity or, for other goods per tonne, in tonnes of CO2e emissions per tonne of each type of goods, calculated in accordance with Article 7 and verified in accordance with Article 8;</p>	<p>(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;</p>
<p>(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.</p>	<p>(c) the total number of CBAM certificates to be surrendered, corresponding to the total embedded emissions, to be surrendered, referred to in paragraph 2, point (b) 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 to reflect the extent to which EU ETS allowances are allocated free of charge in accordance with Article 31.</p>	<p>(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.</p>
		<p><i>(ca) a copy of the verification report issued by the accredited verifier under Article 8 and Annex V.</i></p>

<p>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.</p>	<p>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 <u>are imported</u>, the authorised <u>CBAM</u> declarant shall report in the CBAM declaration the total emissions embedded in the goods <u>that were</u> placed under the inward processing procedure <u>that are listed and resulted in Annex I to this Regulation</u> <u>the imported processed products</u>, even if the processed product is <u>products are</u> not listed in that Annex <u>Annex I to this Regulation</u>. <u>This provision shall also apply where the processed products resulting from the inward processing procedure are returned goods as referred to in Article 205 of Regulation (EU) No 952/2013.</u></p>	<p>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.</p>
<p>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.</p>	<p>4. Where the imported goods <u>listed in Annex I</u> are processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013, the authorised <u>CBAM</u> 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.</p>	<p>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.</p>
<p>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.</p>	<p>5. Where the imported goods are returned goods as referred to in Article 203 of Regulation (EU) No 952/2013, the authorised <u>CBAM</u> declarant shall report separately, in the CBAM declaration, 'zero' for the total embedded emissions corresponding to those goods.</p>	<p>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.</p>

<p>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).</p>	<p>6. The Commission is empowered to adopt implementing acts concerning the standard format, <u>including detailed information per installation and country of origin and type of goods to be reported supporting the totals referred to in paragraph 2, in particular as regards embedded emissions and carbon price paid</u>, and the procedure for submitting the CBAM declaration <u>through the central registry</u>, and the arrangements for surrendering <u>the</u> CBAM certificates provided for<u>mentioned</u> in paragraph 2, point (c-), <u>in compliance with Article 22(1), in particular as regards the process and the selection by the authorised CBAM declarant of certificates to be surrendered</u>. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>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).</p>
<p style="text-align: center;"><i>Article 7 Calculation of embedded emissions</i></p>	<p style="text-align: center;"><i>Article 7 Calculation of embedded emissions</i></p>	<p style="text-align: center;"><i>Article 7 Calculation of embedded emissions</i></p>
<p>1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex III.</p>	<p>1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex III.</p>	<p>1. Embedded emissions in goods shall be calculated pursuant to the methods set out in Annex III.</p>
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>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 <u>CBAM declarant chooses justifies that the criteria</u> to determine the embedded emissions based on the actual emissions in accordance with that annex<u>listed in Annex III</u>, point 5 <u>are met</u>.</p>	<p>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.</p>

<p>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).</p>	<p>4. The authorised CBAM 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).</p>	<p>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).</p>
<p>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.</p>	<p>5. The authorised CBAM 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.</p>	<p>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. <i>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.</i></p>

<p>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 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.</p>	<p>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 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, and including further specification of goods that are to be considered as "simple goods" and "complex goods" for the purpose of Article III, point 1. Where necessary objectively justified, those acts shall provide that the default values can be adapted to particular areas, regions or countries to take into account specific objective factors that affect emissions, such as geography, natural resources, market conditions, prevailing energy sources, or industrial processes. The Those 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 Commission Implementing Regulation (EU) No 2018/2067.</p>	<p>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 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.</p>
<p>7. The implementing acts referred to in paragraph 6 shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>7. The implementing acts referred to in paragraph 6 of this Article shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>7. The implementing acts referred to in paragraph 6 shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>

		<p>7a. The Commission is empowered to adopt delegated acts in accordance with Article 28 supplementing this Regulation regarding the definition of a method to calculate embedded indirect emissions for simple and complex products and relevant default values, as well as a method to determine the CBAM price of indirect embedded emissions.</p>
<p>Article 8 Verification of embedded emissions</p>	<p>Article 8 Verification of embedded emissions</p>	<p>Article 8 Verification of embedded emissions</p>
<p>1. The authorised 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.</p>	<p>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.</p>	<p>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.</p>
		<p>1a. The CBAM authority is authorised to verify the accuracy of the information provided in the CBAM declaration pursuant to this Article.</p>
<p>2. For embedded emissions in goods produced in registered installations in a third country in accordance with Article 10, the authorised 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.</p>	<p>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.</p>	<p>2. For embedded emissions in goods produced in registered installations in a third country in accordance with Article 10, the authorised 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.</p>

<p>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.</p>	<p>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<u>definition of</u> thresholds for deciding whether misstatements or non-conformities are material, and concerning the supporting documentation needed for the verification report., <u>including its format. In so doing, the Commission shall seek coherence with the procedures set out in Commission Implementing Regulation (EU) No. 2018/2067. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</u></p>	<p>3. The Commission is empowered to adopt <i>delegated acts in accordance with Article 28 supplementing this Regulation</i> 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. <i>The possibility to waive the obligation for the accredited 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.</i></p>
<p>The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>The implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>[deleted]</p>

Article 9 Carbon price paid in a country of origin	Article 9 Carbon price paid in a country of origin	Article 9 Explicit carbon price paid in a country of origin
<p>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.</p>	<p>1. An authorised CBAM 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. <u>The carbon price may only be taken into account to the extent it has been effectively paid, taking into account any rebate or any other form of compensation available in the country of origin that would have resulted in a reduction of that carbon price.</u></p>	<p>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. <i>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.</i></p>
<p>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.</p>	<p>2. The authorised CBAM 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. <u>that has been effectively paid as referred to in paragraph 1. The authorised CBAM declarant shall in particular keep evidence related to available rebates or any other form of compensation, in particular references to the relevant legislation of that country. This documentation shall be certified by a person independent from the authorised CBAM declarant and independent from the authorities of the country of origin. The authorised CBAM declarant shall also keep evidence of the actual payment of the carbon price.</u></p>	<p>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. <i>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.</i></p>

<p>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.</p>	<p>3. The authorised CBAM declarant shall keep thesethe 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.</p>	<p>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.</p>
<p>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 acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>4. The Commission is empowered to adopt implementing acts establishing the methodology for calculating the concerning detailed rules regarding the conversion of the yearly average carbon price effectively paid in accordance with paragraph 1 into a corresponding reduction inof the number of CBAM certificates to be surrendered, regardingincluding the conversion of the carbon price effectively paid in foreign currency into euro at the yearly average exchange rate in accordance with paragraph 1. the evidence required of the actual payment of the carbon price, examples of relevant rebates or other forms of compensation referred to in 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. and conditions to ascertain independence. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>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 paragraph 2. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>
<p><i>Article 10 Registration of operators and installations in third countries</i></p>	<p><i>Article 10 Registration of operators and installations in third countries</i></p>	<p><i>Article 10 Registration of operators and installations in third countries</i></p>
<p>1. 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).</p>	<p>1. 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 as referred to in Article 14(4). 14a.</p>	<p>1. 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.</p>

<p>2. The request for registration referred to in paragraph 1 shall include the following information to be included in the database upon registration:</p>	<p>2. The request for registration referred to in paragraph 1 shall include the following information to be included in the <u>central</u> database upon registration:</p>	<p>2. The request for registration referred to in paragraph 1 shall include the following information to be included in the database upon registration:</p>
<p>(a) the name, address and contact details of the operator;</p>	<p>(a) the name, address and contact details of the operator;</p>	<p>(a) the name, address and contact details of the operator;</p>
<p>(b) the location of each installation including complete address and coordinates expressed in longitude and latitude including 6 decimals;</p>	<p>(b) the location of each installation including <u>the</u> complete address and <u>geographical</u> coordinates expressed in longitude and latitude including 6 decimals;</p>	<p>(b) the location of each installation including complete address and coordinates expressed in longitude and latitude including 6 decimals;</p>
<p>(c) the main economic activity of the installation in the third country;</p>	<p>(c) the main economic activity of the installation in the third country;</p>	<p>(c) the main economic activity of the installation in the third country;</p>
<p>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.</p>	<p>3. The Commission shall notify the operator onof the registration in the <u>central</u> database. The registration shall be valid for a period of five years from the date of its notification to the operator of the installation.</p>	<p>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.</p>
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>5. The operator referred to in paragraph 1 shall be obliged to:</p>	<p>5. The operator referred to in paragraph 1 shall be obliged to:</p>	<p>5. The operator referred to in paragraph 1 shall be obliged to:</p>
<p>(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;</p>	<p>(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;</p>	<p>(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;</p>
<p>(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;</p>	<p>(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;</p>	<p>(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;</p>

<p>(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.</p>	<p>(c) keep a copy of the verifier'sverification report as well as records of the information required to calculate the embedded emissions in goods asin accordance with the requirements laid down in Annex IV for a period of four years after the verification has been performed.</p>	<p>(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.</p>
<p>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 declaration made by an authorised declarant to whom the relevant information was disclosed in accordance with paragraph 8.</p>	<p>6. The records referred to in paragraph 5, point (c), shall be sufficiently detailed to enable the verification of theof the embedded emissions in accordance with paragraph 5, point (b); Article 8 and Annex V,paragraph 5, point (b); Article 8 and Annex V, and to enable any competent authority to review, in accordance with Article 19(1), the CBAM declaration made by an authorised CBAMCBAM declarant to whom the relevant information was disclosed in accordance with paragraph 8.7.8.7.</p>	<p>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 thethe CBAM authority to review andand 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.</p>
<p>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.</p>	<p>7. An operator may disclose the information on the verification of embedded emissions referred to in paragraph 5 to an authorised CBAMCBAM declarant. The authorised CBAMCBAM declarant shall be entitled to avail itself of that disclosed information to fulfil the obligation referred to in Article 8.</p>	<p>7. The information on verifiedverified embedded emissions referred to in paragraph 5 shallshall 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.</p>

<p>8. The operator may, at any time, ask to be deregistered from the database.</p>	<p>8. The operator may, at any time, ask to be deregistered from the database. <u>8. The operator may, at any time, ask to be deregistered from the database. The Commission shall, upon such request, and after notifying the national competent authorities, deregister the information on that operator and on its installation from the central database, provided such information is not necessary for the review of CBAM declarations submitted. The Commission may, after having given the operator the possibility to be heard and having consulted with relevant national competent authorities, also deregister the information if it finds the information is no longer being accurate. The Commission shall inform the competent authorities of Member States of such deregistrations.</u></p>	<p>8. The operator may, at any time, ask to be deregistered from the database.</p>
<p>Chapter III Competent authorities</p>	<p>Chapter III Competent authorities</p>	<p>Chapter III <i>The CBAM authority</i></p>
<p><i>Article 11 Competent authorities</i></p>	<p><i>Article 11 Competent authorities</i></p>	<p><i>Article 11 The CBAM authority</i></p>
<p>1. Each Member State shall designate the competent authority to carry out the obligations under this Regulation and inform the Commission thereof.</p>	<p>1. Each Member State shall designate the competent authority to carry out the obligations under this Regulation and inform the Commission thereof.</p>	<p>1. The Commission shall establish the CBAM authority to perform the obligations under this Regulation.</p>
<p>The Commission shall make available to the Member States a list of all competent authorities and publish this information in the Official Journal of the European Union.</p>	<p>The Commission shall make available to the Member States a list of all competent authorities and publish this<u>that</u> information in the Official Journal of the European Union.</p>	<p>[deleted]</p>
<p>2. Member States shall require that competent authorities exchange any information that is essential or relevant to the exercise of their functions and duties.</p>	<p>2. Member States shall require that competent Competent authorities shall exchange any information that is essential or relevant to the exercise of their functions and duties. <u>under this Regulation.</u></p>	<p>[deleted]</p>
<p><i>Article 12 Commission</i></p>	<p><i>Article 12 Commission</i></p>	<p><i>[deleted]</i></p>

<p>The Commission shall assist the competent authorities in carrying out their obligations under this Regulation and coordinate their activities.</p>	<p>The<u>In addition to the tasks that the Commission exercises under other provisions of this Regulation, the</u> Commission shall assist the competent authorities in carrying out their obligations under this Regulation and coordinate their activities., <u>and coordinate their activities by supporting the exchange of and issuing guidelines on the best practices in this domain, and by promoting an adequate exchange of information and cooperation between competent authorities, and between competent authorities and the Commission.</u></p>	<p>[deleted]</p>
		<p><i>Article 12a Decisions of the CBAM authority</i></p>
		<p><i>1. The CBAM authority shall, without delay, take decisions in order to implement this Regulation.</i></p>
		<p><i>2. A decision of the CBAM authority shall take effect from the date of notification of that decision to the addressee.</i></p>
		<p><i>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, without delay, submit the required additional information to the CBAM authority.</i></p>

		<p>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.</p>
		<p>5. Where the CBAM authority proposes to takes 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.</p>
		<p>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.</p>

		<p>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.</p>
<p>Article 13 <i>Professional secrecy and disclosure of information</i></p>	<p>Article 13 <i>Professional secrecy and disclosure of information</i></p>	<p>Article 13 <i>Professional secrecy and disclosure of information</i></p>
<p>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.</p>	<p>1. All information acquired by the competent authority or the Commission in the course of performing its dutytheir duties which is by its nature confidential or which is provided on a confidential basis shall be covered by anthe obligation of professional secrecy. Such information shall not be disclosed by the competent authority or the Commission 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 by virtue of provisions laid down by Union or national law.</p>	<p>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.</p>

	<p><u>2. Competent authorities and the Commission may, however, share such information with competent authorities of other Member States, customs authorities, authorities in charge of administrative or criminal sanctions, the Commission and the European Public Prosecutors Office, for the purposes of ensuring compliance of persons with their obligations under this Regulation and the application of customs legislation. Such shared information shall itself be covered by professional secrecy and may not be disclosed to any other person or authority except by virtue of provisions laid down by Union or national law.</u></p>	
<p>Article 14 National registries and central database</p>	<p>Article 14 National registries and central database Central registry</p>	<p>[deleted]</p>
<p>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.</p>	<p>1. The competent authority of each Member State Commission shall establish a national central registry of declarants authorised in that Member State CBAM declarants 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. authorised CBAM declarants. <u>The Commission shall make the information in that registry available automatically and in real time to customs authorities and competent authorities from Member States.</u></p>	<p>[deleted]</p>
<p>2. The database referred to in paragraph 1 shall contain accounts with information about each authorised declarant, in particular:</p>	<p>2. The database registry referred to in paragraph 1 shall contain accounts with information about each authorised CBAM declarant, in particular:</p>	<p>[deleted]</p>
<p>(a) the name and contact details of the authorised declarant;</p>	<p>(a) the name and contact details of the authorised CBAM declarant;</p>	<p>[deleted]</p>
<p>(b) the EORI number of the authorised declarant;</p>	<p>(b) the EORI number of the authorised CBAM declarant;</p>	<p>[deleted]</p>
<p>(c) the CBAM account number;</p>	<p>(c) the CBAM account number;</p>	<p>[deleted]</p>

<p>(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.</p>	<p>(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 CBAM declarant.</p>	<p>[deleted]</p>
<p>3. The information in the database referred to in paragraph 2 shall be confidential.</p>	<p>3. The information in the databaseregistry referred to in paragraph 2 shall be confidential.</p>	<p>[deleted]</p>
	<p><u>Article 14a</u> <u>Central database of operators and installations located in third countries</u></p>	
<p>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.</p>	<p>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 made accessible to the public.</p>	<p>[deleted]</p>
		<p>Article 14a CBAM registry</p>
		<p>1. The CBAM authority shall set up a CBAM registry to execute processes relating to CBAM certificates, in accordance with Articles 20, 21 and 22.</p>
		<p>2. The CBAM registry shall contain an electronic database with information about each authorised declarant, in particular:</p>
		<p>(a) name and contact details;</p>
		<p>(b) EORI number;</p>
		<p>(c) CBAM account number;</p>
		<p>(d) number, price and date of purchase of CBAM certificates held.</p>

		<p>3. The CBAM registry shall also contain, in a separate section of the database, the names and additional details of the operators and of the installations in third countries that are registered in accordance with Article 10. That section of the database shall in particular contain, where applicable, the verified emissions of the installations.</p>
		<p>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.</p>
		<p>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).</p>
<p>Article 15 Central administrator</p>	<p>Article 15 Central administrator <u>Independent transaction log</u></p>	<p>[deleted]</p>

<p>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.</p>	<p>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.</p>	<p>[deleted]</p>
<p>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.</p>	<p>2. The central administrator Commission 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.</p>	<p>[deleted]</p>
<p>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.</p>	<p>3. If irregularities are identified as a result of the controls carried out under paragraph 2, the Commission shall inform the competent authorities of the Member State or Member States concerned for further investigation in order to correct the identified irregularities.</p>	<p>[deleted]</p>
<p>Article 16 <i>Accounts in the national registries</i></p>	<p>Article 16 <i>Accounts in the national registries central registry</i></p>	<p>Article 16 <i>Accounts in the CBAM registry</i></p>
<p>1. The competent authority shall assign to each authorised declarant a unique CBAM account number.</p>	<p>1. The competent authority Commission shall assign to each authorised CBAM declarant a unique CBAM account number.</p>	<p>1. The CBAM authority shall assign to each authorised declarant a unique CBAM account number.</p>
<p>2. Each authorised declarant shall be granted access to its account in the registry.</p>	<p>2. Each authorised CBAM declarant shall be granted access to its account in the central registry.</p>	<p>2. Each authorised declarant shall be granted access to its account in the CBAM registry.</p>
<p>3. The competent authority shall set up the account as soon as the authorisation referred to in Article 17(1) is granted and notify the authorised declarant thereof.</p>	<p>3. The competent authority Commission shall set up the account as soon as the authorisation referred to in Article 17(1) is granted and notify the authorised CBAM declarant thereof.</p>	<p>3. The CBAM authority shall set up the account as soon as the authorisation referred to in Article 17(1) is granted and notify the authorised declarant thereof.</p>

<p>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.</p>	<p>4. If the authorised CBAM declarant has ceased its economic activity or its authorisation was has been revoked, the competent authorityCommission shall close the account of that authorised CBAM declarant, <u>provided that the authorised CBAM declarant has complied with all its obligations under this Regulation.</u></p>	<p>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.</p>
<p style="text-align: center;"><i>Article 17 Authorisation of declarants</i></p>	<p style="text-align: center;"><i>Article 17 Authorisation of declarants</i></p>	<p style="text-align: center;"><i>Article 17 Authorisation of declarants</i></p>
	<p><u>0. Where an application for the status of authorised CBAM declarant is submitted in accordance with Article 5(1), the competent authority in the Member State where the applicant is established shall grant the status of authorised CBAM declarant where the criteria set out in paragraph 1 are complied with. The status of authorised CBAM declarant shall be recognised in all Member States.</u></p>	
<p>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:</p>	<p>1. The competent authority shall authorise a<u>criteria for granting the status of authorised CBAM</u> declarant who submits an application for authorisation in accordance with Article 5(1), if<u>shall be</u> the following conditions are fulfilled:</p>	<p>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:</p>
<p>(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;</p>	<p>(a) the declarant<u>applicant</u> has not been involved in a serious infringement or repeated infringements of customs legislation, taxation rules and, market abuse rules and<u>or CBAM rules, in particular it</u> has no record of serious criminal offences relating to its economic activity during the five years preceding the application;</p>	<p>(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;</p>
<p>(b) the declarant demonstrates its financial and operational capacity to fulfil its obligations under this Regulation.</p>	<p>(b) the declarant<u>applicant</u> demonstrates its financial and operational capacity to fulfil its obligations under this Regulation.</p>	<p>(b) the declarant demonstrates its financial and operational capacity to fulfil its obligations under this Regulation.</p>
	<p><u>(c) the applicant is established in a Member State; and</u></p>	

	<u>(d) the applicant has been assigned an EORI number in accordance with Article 9 of Regulation (EU) No 952/2013.</u>	
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.	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 <u>granting</u> of the <u>status of authorised CBAM</u> declarant shall be refused. <u>Such decision shall provide the reasons for the refusal and include information on the possibility to appeal.</u>	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.
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 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.	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 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. 3. <u>(deleted)</u>	[deleted]
4. A decision of the competent authority authorising a declarant shall contain the following information	4. A decision of the competent authority authorising <u>granting the status of authorised CBAM</u> declarant shall <u>be registered in the central registry and shall</u> contain the following information:	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;	(a) the name and the address of the authorised CBAM declarant;	(a) the name and the address of the authorised declarant;
(b) the EORI number of the authorised declarant;	(b) the EORI number of the authorised CBAM declarant;	(b) the EORI number of the authorised declarant;
(c) the CBAM account number.	(c) the CBAM account number. <u>assigned to it in accordance with Article 16(1).</u>	(c) the CBAM account number.
5. An authorised declarant may, at any time, ask for its authorisation to be revoked.	5. An authorised declarant may, at any time, ask for its authorisation to be revoked. 5. <u>(deleted)</u>	5. An authorised declarant may, at any time, ask for its authorisation to be revoked.

<p>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.</p>	<p>6. The<u>For the purpose of complying with the criteria set out in paragraph 1(b), the</u> competent authority shall require the provision of a guarantee in order to authorise a declarant in accordance with paragraph 1, if the declarant<u>applicant</u> was not established throughout the two financial years that precede<u>preceding</u> the year when the application in accordance with Article 5(1) was submitted. <u>The competent authority shall fix the amount of such guarantee at the amount calculated as the value of the CBAM certificates that the authorised CBAM declarant would have to surrender in accordance with Article 22 in respect of the imports of goods reported in accordance with Article 5(3)(g). The guarantee shall be provided as a bank guarantee, payable at first demand, by a financial institution operating in the Union or as another form of guarantee which provides equivalent assurance.</u></p>	<p>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.</p>
<p>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.</p>	<p>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.</p>	<p>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.</p>

<p>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.</p>	<p>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. 7. 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 of the authorised CBAM declarant, it shall require the authorised CBAM declarant to either to provide an additional guarantee or to replace the initial guarantee with a new guarantee, according to itsthe authorised CBAM declarant's choice.</p>	<p>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.</p>
<p>8. The competent 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.</p>	<p>8. The competent authority shall release the guarantee immediately after 31 May of the second year in which the authorised CBAM declarant has surrendered CBAM certificates in accordance with Article 22.</p>	<p>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.</p>
		<p>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. The CBAM authority may carry out such controls at the premises of the applicant.</p>

<p>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.</p>	<p>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. <u>9. The competent authority shall revoke the status of authorised CBAM declarant where the authorised CBAM declarant so requests. The competent authority shall also revoke the status of authorised CBAM declarant where the authorised CBAM declarant no longer meets the criteria set out in paragraphs 1 or 7 of this Article, or has been involved in a serious or repeated infringement of the obligation to surrender CBAM certificates referred to in Article 22(1) or of the obligation to ensure a sufficient number of CBAM certificates on its account in the central registry at the end of each quarter referred to in Article 22(2). Before revoking the status of authorised CBAM declarant, the competent authority shall give the authorised CBAM declarant the possibility to be heard. Any decision of revocation shall contain the justification as well as information about the right to appeal.</u></p>	<p>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, <i>or who has been found to repeatedly or seriously infringe this Regulation.</i></p>
		<p><i>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).</i></p>

	<p><u>10. The competent authority shall register in the central registry information on the applicants whose application for the granting of the status of authorised CBAM declarant has been refused in accordance with paragraph 2 of this Article, and the persons whose status of authorised CBAM declarants has been revoked in accordance with paragraph 9 of this Article.</u></p>	
	<p><u>11. The Commission shall adopt, by means of implementing acts, the detailed provisions for the application of the criteria referred to in paragraph 1, including the criterion of not having been involved in a serious infringement or repeated infringements under paragraph 1(a), and for the application of the guarantee referred to in paragraphs 6 to 8; for the application of the criteria of a serious or repeated infringement referred to in paragraph 9; and for the consequences of the revocation of the status of authorised CBAM declarant. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</u></p>	
<p>Article 18 Accreditation of verifiers</p>	<p>Article 18 Accreditation of verifiers</p>	<p>Article 18 Accreditation of verifiers</p>

<p>1. Any person accredited pursuant to Implementing Regulation (EU) No 2018/2067 shall be regarded as an accredited verifier under this Regulation.</p>	<p>1. Any person accredited pursuant to <u>in accordance with Commission</u> Implementing Regulation (EU) No 2018/2067 <u>for a relevant group of activities</u> shall be regarded as an accredited verifier under this Regulation. <u>The Commission is empowered to adopt implementing acts for identifying relevant groups of activities by providing an alignment of qualifications of an accredited verifier necessary to perform verifications under this Regulation with the relevant group of activities listed in Annex I of Commission Implementing Regulation (EU) No. 2018/2067 and indicated in the accreditation certificate. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</u></p>	<p>1. Any <i>legal</i> person accredited pursuant to Implementing Regulation (EU) No 2018/2067 shall be regarded as an accredited verifier under this Regulation.</p>
<p>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.</p>	<p>2. In addition to paragraph 1, a national accreditation body may on request accredit a person <u>established in the Union</u> as a verifier under this Regulation after checking where it considers, on the basis of the documentation attesting <u>submitted, that such person</u> has a capacity to apply the verification principles referred to in Annex V to perform the obligations of control of the embedded emissions established in Articles 8, 10 and 38 <u>10</u>.</p>	<p>[deleted]</p>
<p>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.</p>	<p>3. The Commission is empowered to adopt delegated acts in accordance with Article 28 <u>in order to supplement this Regulation by specifying conditions</u> for the <u>granting of the</u> 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.</p>	<p>3. The Commission is empowered to adopt delegated acts in accordance with Article 28 for the accreditation referred to in paragraph <i>1</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.</p>
<p>Article 19 Review of CBAM declarations</p>	<p>Article 19 Review of CBAM declarations</p>	<p>Article 19 Review of CBAM declarations</p>

<p>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) and any other relevant evidence, and on the basis of any audit deemed necessary, including at the premises of the authorised declarant.</p>	<p>1. The competent authority <u>of the Member State where the authorised CBAM declarant is established</u> 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 CBAM declarant.</p>	<p>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.</p>
	<p><u>1a. Without prejudice to paragraph 1, the Commission shall periodically set out specific risk factors and attention points for competent authorities, based on an analysis of risks in relation to the CBAM implementation at the EU level, taking into account information contained in the central registry, data communicated by customs authorities, and other relevant information sources, including the controls and checks referred to in Articles 15(2) and 25(3). The Commission shall also facilitate the exchange of information with competent authorities about fraudulent activities and the application of penalties to authorised CBAM declarants.</u></p>	

<p>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.</p>	<p>2. Where <u>an authorised CBAM declarant fails to submit a</u> CBAM declaration in accordance with Article 6 has not been submitted, the competent authority of the Member State of establishment of the authorised declarant <u>Commission</u> shall assess the CBAM obligations of that <u>authorised CBAM</u> 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. <u>The Commission shall communicate this information to the Member State where the authorised CBAM declarant is established.</u></p>	<p>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.</p>
<p>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.</p>	<p>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 in accordance with Article 6, it shall adjust <u>determine</u> the number of CBAM certificates due by the authorised <u>CBAM</u> declarant. The competent authority shall notify the authorised <u>CBAM</u> declarant of the adjustment <u>number determined</u> and request that the authorised <u>CBAM</u> declarant shall surrenders <u>surrenders</u> the additional CBAM certificates within one month. <u>Such decision shall contain the justification as well as information about the right to appeal.</u></p>	<p>3. Where the <i>CBAM</i> 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 <i>CBAM</i> authority shall notify the authorised declarant of the adjustment and request that the authorised declarant shall surrender the additional CBAM certificates within one month.</p>
<p>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.</p>	<p>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. 4. (deleted)</p>	<p>[deleted]</p>

<p>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.</p>	<p>5. Where <u>the competent authority has established that the number of</u> CBAM certificates have been surrendered <u>is</u> in excess of the number due, the competent authority shall, without delay, reimburse the authorised declarant the value of <u>inform the Commission. The</u> CBAM certificates surrendered in excess, calculated at the average price paid <u>shall be re-purchased in accordance with the procedures provided</u> for CBAM certificates by the authorised declarant during the year of import. <u>in Article 23.</u></p>	<p>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 <i>for those certificates at the time of purchase.</i></p>
<p style="text-align: center;">Chapter IV CBAM certificates</p>	<p style="text-align: center;">Chapter IV CBAM certificates</p>	<p style="text-align: center;">Chapter IV CBAM certificates</p>
<p style="text-align: center;"><i>Article 20 Sale of CBAM certificates</i></p>	<p style="text-align: center;"><i>Article 20 Sale of CBAM certificates</i></p>	<p style="text-align: center;"><i>Article 20 Sale of CBAM certificates</i></p>
	<p><u>0. Member States shall sell CBAM certificates to authorised CBAM declarants established in their Member State. For that purpose, CBAM certificates shall be sold on a central common platform that shall be established by the Commission following a joint procurement procedure between the Commission and the Member States, and that shall be managed by the Commission. The Commission shall adopt delegated acts in accordance with Article 28 to further define the timing, administration and other aspects of the sale and re-purchase of CBAM certificates, seeking coherence with the procedures of Commission Regulation (EU) No. 1031/2010.</u></p>	
<p>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.</p>	<p>1. The competent authority of each Member State shall sell CBAM certificates <u>shall be sold to authorised CBAM</u> declarants authorised in that Member State at the price calculated in accordance with Article 21.</p>	<p>1. The CBAM authority shall sell CBAM certificates to authorised <i>declarants</i> at the price calculated in accordance with Article 21.</p>

<p>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.</p>	<p>2. The competent authorityCommission shall ensure that each CBAM certificate is assigned a unique unit-identification codenumber upon its creation and shall register the unique unit identification number, and the price and date of sale of the certificate in the nationalcentral registry in the account of the authorised CBAM declarant purchasing it.</p>	<p>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.</p>
<p style="text-align: center;"><i>Article 21 Price of CBAM certificates</i></p>	<p style="text-align: center;"><i>Article 21 Price of CBAM certificates</i></p>	<p style="text-align: center;"><i>Article 21 Price of CBAM certificates</i></p>
<p>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 1031/2010 for each calendar week.</p>	<p>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 1031/2010 for each calendar week. <u>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 of the closing prices of EU ETS allowances of the last week in which auctions on the common auction platform took place.</u></p>	<p>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 1031/2010 for each calendar week.</p>
<p>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.</p>	<p>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.</p>	<p>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.</p>
<p>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.</p>	<p>2. ThisThat 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.</p>	<p>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.</p>

<p>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).</p>	<p>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).</p>	<p>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).</p>
<p style="text-align: center;">Article 22 Surrender of CBAM certificates</p>	<p style="text-align: center;">Article 22 Surrender of CBAM certificates</p>	<p style="text-align: center;">Article 22 Surrender of CBAM certificates</p>
<p>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</p>	<p>1. By 31 May of each year, the authorised CBAM declarant shall surrender to the Commission a number of CBAM certificates to the competent authority that corresponds to the embedded emissions declared in accordance with Article 6(2)(c), point (c), and verified in accordance with Article 8 for the calendar year preceding the surrender. For that purpose, the authorised CBAM declarant shall ensure that the required number of CBAM certificates is available on its account in the central registry. The Commission shall cancel those CBAM certificates.</p>	<p>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 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.</p>

<p>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 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.</p>	<p>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 registry. In addition, the authorised CBAM declarant shall ensure that the number of CBAM certificates on its account in the national central 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.</p>	<p>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 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.</p>
<p>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.</p>	<p>3. Where the competent authority Commission finds that the number of CBAM certificates in the account of an authorised CBAM declarant is not in compliance with the obligations pursuant to paragraph 2, second sentence, that authority it shall notify, through the adjustment and request that central registry, the authorised CBAM declarant surrenders of the additional need to ensure a sufficient number of CBAM certificates in its account within one month. The Commission shall also inform the competent authority of the Member State where the authorised CBAM declarant is established.</p>	<p>3. Where the CBAM 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.</p>
<p>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.</p>	<p>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. 4. (deleted)</p>	<p>[deleted]</p>
<p>Article 23 Re-purchase of CBAM certificates</p>	<p>Article 23 Re-purchase of CBAM certificates</p>	<p>Article 23 Re-purchase of CBAM certificates</p>

<p>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.</p>	<p>1. The competent authority of each Member State shall, on request by a declarant authorised in that Member State, <u>re-purchase the CBAM declarant,</u> excess of CBAM certificates remaining on the account of the declarant in the national<u>central</u> registry after the certificates have been surrendered in accordance with Article 22. The request shall be re-purchased by the Member State where the authorised CBAM declarant is established. For that purpose, the Commission shall purchase such certificates through the common central platform referred to in Article 20 on behalf of the Member State where the authorised CBAM declarant is established. The re-purchase <u>request</u> shall be submitted by 30 June of each year when<u>during which</u> CBAM certificates were surrendered.</p>	<p>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.</p>
<p>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.</p>	<p>2. The number of certificates subject to re-purchase as referred to in paragraph 1 shall be limited to one third of the total <u>number of</u> CBAM certificates purchased by the authorised CBAM declarant during the previous calendar year.</p>	<p>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.</p>
<p>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.</p>	<p>3. The re-purchase price for each CBAM certificate shall be the price paid by the authorised CBAM declarant for that certificate at the time of purchase.</p>	<p>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.</p>
<p>Article 24 Cancellation of CBAM certificates</p>	<p>Article 24 Cancellation of CBAM certificates</p>	<p>Article 24 Cancellation of CBAM certificates</p>
<p>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.</p>	<p>By 30 June of each year, the competent authority of each Member State<u>Commission</u> 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.<u>account of an authorised CBAM declarant in the central registry. Those CBAM certificates shall be canceled without any compensation.</u></p>	<p>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.</p>

		<p>Article 24a Revenues generated by the sale of CBAM certificates</p>
		<p>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.</p>

		<p>2. To ensure that the CBAM fulfils its aim to reduce global carbon emissions and help meet the Union’s climate objectives and international commitments, including the Paris Agreement, Union 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 Union budget in order 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, subject to the full implementation and enforcement of internationally recognised labour and social rights such as the ILO core labour standards in the recipient country.</p>
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		<p><i>The new financial support from the Union budget should be provided under the relevant geographic and thematic programme of the Neighbourhood, Development and International Cooperation Instrument established by Regulation (EU) 2021/947 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.</i></p>
		<p><i>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 amount 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 least developed countries.</i></p>
<p>Chapter V Border administration of goods</p>	<p>Chapter V Border administration of goods <u>Customs authorities</u></p>	<p>Chapter V Border administration of goods</p>
<p>Article 25 Procedures at the border when goods are imported</p>	<p>Article 25 Procedures at the border when goods are imported <u>Rules applicable to the border when importation of goods</u></p>	<p>[deleted]</p>
<p>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.</p>	<p>1. The customs authorities shall not allow the importation of goods unless the declarant is <u>by any other person than an</u> authorised by a competent authority at the latest at the release for free circulation of the goods <u>CBAM declarant</u>.</p>	<p>[deleted]</p>

<p>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.</p>	<p>2. The customs authorities shall periodically <u>and automatically, by means of the surveillance mechanism established pursuant to Article 56(5) of Regulation (EU) No 952/2013</u>, communicate <u>to the Commission</u> information on the goods declared for importation, which shall include the EORI number and the CBAM account number of the <u>authorised CBAM</u> declarant, the <u>eight</u>-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.</p>	<p>[deleted]</p>
	<p><u>2a. The Commission shall communicate the information referred to in paragraph 2 to the competent authority of the Member State where the authorised CBAM declarant is established.</u></p>	
<p>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.</p>	<p>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. 3. (deleted)</p>	<p>[deleted]</p>
<p>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.</p>	<p>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 <u>dutyduties</u>, or provided <u>to the customs authorities</u> on a confidential basis, to the competent authority of the Member State where the declarant<u>that</u> has been granted the status of the <u>authorised</u>. The competent authorities of the Member States shall treat and exchange this information in accordance with Council Regulation (EC) No 515/97. CBAM declarant.</p>	<p>[deleted]</p>

<p>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).</p>	<p>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 of this Article. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p><i>[deleted]</i></p>
		<p><i>Article 25a Procedures at the border when goods are imported</i></p>
		<p><i>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.</i></p>
		<p><i>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.</i></p>

		<p>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.</p>
		<p>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).</p>

		<p>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. The Commission may make imports subject to registration following a request from the Union industry which contains sufficient evidence to justify such action or at 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.</p>
Chapter VI Enforcement	Chapter VI Enforcement	Chapter VI Enforcement
<i>Article 26 Penalties</i>	<i>Article 26 Penalties</i>	<i>[deleted]</i>

<p>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.</p>	<p>1. An authorised CBAM 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 previouspreceding year shall be held liable to for the payment of a penalty. Such penalty shall be identical to the excess emissions penalty set out in Article 16(3) of Directive 2003/87/EC, and increased pursuant to Article 16(4) of that Directive, applicable in the year of importation of the goods, and shall apply for each CBAM certificate that the authorised CBAM declarant should havehas not surrendered.</p>	<p>[deleted]</p>
<p>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.</p>	<p>2. AnyWhere a person other than an authorised CBAM declarant, introducing introduces goods into the customs territory of the Union without surrendering CBAM certificates according to complying with the obligations of this Regulation, that person shall be held liable to for the payment of a penalty. Such penalty shall, depending on the duration, gravity and scope of such non-compliance, amount to three to five times the penalty referred to in paragraph 1, applicable in the year of introduction of the goods, for each CBAM certificate that the person should havehas not surrendered.</p>	<p>[deleted]</p>
<p>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.</p>	<p>3. Payment of the penalty shall in no casenot release the authorised CBAM 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.determined in accordance with Article 19(3).</p>	<p>[deleted]</p>

<p>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:</p>	<p>4. If the competent authority determines, including on the basis of the reviews of CBAM declarations referred to in Article 19, that an authorised CBAM 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 without surrendering CBAM certificates pursuant to this Regulation as specified in paragraph 2, the competent authority shall impose the penalty and pursuant to paragraph 1 or 2, as applicable. To that end, the competent authority shall notify the authorised CBAM declarant or, in the situation under where paragraph 2 applies, the person:</p>	<p>[deleted]</p>
<p>(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;</p>	<p>(a) that the competent authority has concluded that the authorised CBAM declarant or the person failsfailed to comply with the obligation of surrenderingto surrender CBAM certificates for a given year;</p>	<p>[deleted]</p>
<p>(b) of the reasons for its conclusion;</p>	<p>(b) of the reasons for its conclusion;</p>	<p>[deleted]</p>
<p>(c) of the amount of the penalty imposed on the authorised declarant or on the person;</p>	<p>(c) of the amount of the penalty imposed on the authorised CBAM declarant or on the person;</p>	<p>([deleted])</p>
<p>(d) of the date from which the penalty is due;</p>	<p>(d) of the date from which the penalty is due;</p>	<p>[deleted]</p>
<p>(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</p>	<p>(e) of the action the competent authority considersthat the authorised CBAM declarant or the person shouldreferred to in paragraph 2 is to take to comply with its obligation under point (a) depending on the facts and circumstances of the casepay the penalty; and</p>	<p>[deleted]</p>
<p>(f) of the right of the authorised declarant or of the person to appeal under national rules.</p>	<p>(f) of the right of the authorised CBAM declarant or of the person to appeal under national rules.</p>	<p>[deleted]</p>

<p>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.</p>	<p>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. <u>5. Where the penalty has not been paid within the prescribed period, the competent authority shall secure payment of that amount by all means available to them under the law of the Member State concerned.</u></p>	<p>[deleted]</p>
		<p><i>Article 26a Penalties</i></p>
		<p><i>1. An authorised declarant who fails to surrender, by 31 May of each year, the number of CBAM certificates corresponding to the emissions embedded in goods imported during the previous year or who submits to the authority false information related to actual emissions with a view to obtaining a favourable individual treatment, shall be liable for the payment of a penalty.</i></p>
		<p><i>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. The payment of the penalty shall not release the authorised declarant from the obligation of surrendering the outstanding number of CBAM certificates to the CBAM authority.</i></p>

		<p>3. In the case of repeated offences, the CBAM authority may decide to suspend the CBAM account of the authorised declarant.</p>
		<p>4. In addition to the penalty referred to in paragraph 2, Member States shall apply administrative or criminal penalties for failure to comply with the CBAM in accordance with their national law. Such penalties shall be effective, proportionate and dissuasive.</p>
		<p>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:</p>
		<p>(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 in accordance with Article 22 or has submitted false information to the authority;</p>
		<p>(b) of the reasons for its conclusion;</p>
		<p>(c) of the amount of the penalty imposed on the authorised declarant;</p>
		<p>(d) of the date from which the penalty is due;</p>

		<i>(e) of the action the competent authority considers the authorised declarant should take to comply with its obligations under point (a) depending on the facts and circumstances of the case; and</i>
		<i>(f) of the right of the authorised declarant to appeal under national law.</i>
Article 27 Circumvention	Article 27 Circumvention	Article 27 Circumvention
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, <u>in accordance with this Article</u> , 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 include situations where <u>Circumvention shall be defined as</u> a change in the pattern of trade in relation to imported goods included in the scope of this Regulation has, <u>which stems from a practice, process or work for which there is</u> 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. <u>an obligation under this Regulation. Such practice, process or work includes:</u>	2. Practices of circumvention <i>shall be any measures that have the objective of avoiding any of the obligations laid down in this Regulation. Those shall be situations which stem from a practice, process or work which</i> has insufficient due cause or economic justification other than avoiding <i>or mitigating</i> obligations as laid down in this Regulation and <i>may</i> consist <i>of, but</i> are not <i>limited to:</i>
	<u>(a) slightly modifying the goods concerned to make them fall under CN codes which are not listed in Annex I, provided that the modification does not alter their essential characteristics; or</u>	

	<u>(b) artificially splitting shipments into consignments the intrinsic value of which does not exceed a total of EUR 150 in order to avoid the obligations of this Regulation.</u>	
		<i>(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;</i>
		<i>(b) a CO2 price paid in a third country placed only on goods to be exported to the Union;</i>
		<i>(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;</i>
		<i>(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;</i>
		<i>(e) the shipment of the product concerned via third countries where no or more favourable obligations apply; or</i>

		<p><i>(f) the reorganisation by exporters or producers of their patterns and channels of sale and production, or any other kinds of dual production and dual sale practices.</i></p>
	<p><u>3. The Commission shall continually monitor any significant change in the pattern of trade of goods and slightly modified products at Union level.</u></p>	
<p>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.</p>	<p>34. A Member State or any party affected or benefitted by the situations<u>circumvention as</u> described in paragraph 2 may notify the Commission <u>of the situation, in particular</u> 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 listed in Annex I and an increase of volume of imports of slightly modified products, which are not included<u>listed</u> in the list of goods in Annex I. The Commission<u>That notification</u> shall continually monitor any significant change of pattern of trade of goods<u>state the reasons on which it is based</u> and slightly modified<u>should include, where possible, relevant data and statistics regarding the goods</u> and products at Union level.<u>referred to in paragraph 2.</u></p>	<p>3. A Member State or any party affected or benefitted by <i>any of</i> the situations described in paragraph 2 may notify the Commission if it is confronted <i>with practices of circumvention. Interested parties other than directly affected parties, such as environmental organisations and non-governmental organisations, which find concrete evidence of the circumvention</i> of this Regulation, <i>may also notify the Commission.</i> The Commission shall continually monitor <i>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.</i></p>

<p>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.</p>	<p>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.</p>	<p>4. The notification referred to in paragraph 3 shall state the reasons on which it is based and shall include relevant data and statistics <i>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</i> referred to in <i>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 date of notification. Where an investigation has been initiated, the Commission shall notify all competent authorities.</i></p>
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<p>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.</p>	<p>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 32(a) are occurring in one or more Member States <u>according to an established pattern</u>, it is empowered to adopt delegated acts in accordance with Article 28 to supplement<u>amend Annex I by adding</u> the scope of this Regulation in order to include<u>relevant</u> slightly modified products <u>referred to in paragraph 2(a)</u> for anti-circumvention purposes.</p>	<p>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 <i>or downstream products that contain one or more of the goods as listed in Annex I in excess of a minimum threshold</i> for anti-circumvention purposes.</p>
		<p>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 goods listed in Annex I.</p>
		<p>Chapter Via Appeals</p>
		<p>Article 27a Appeals against decisions taken by the CBAM authority</p>

		<p>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.</p>
		<p>2. An appeal lodged pursuant to paragraph 1 shall have suspensive effect.</p>
		<p>3. The products concerned by an appeal shall be subject to registration in accordance with Article 25a(5).</p>
		<p>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.</p>
		<p>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.</p>

		<p>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.</p>
		<p>Article 27b Examination of appeals</p>
		<p>1. The Board of Appeal shall examine whether an appeal is admissible.</p>
		<p>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.</p>
		<p>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.</p>

		<p>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.</p>
		<p>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.</p>
		<p>Article 27c Actions before the Court of Justice</p>
		<p>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.</p>
		<p>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.</p>

		<p>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.</p>
<p>Chapter VII Exercise of delegation and committee procedure</p>	<p>Chapter VII Exercise of delegation and committee procedure</p>	<p>Chapter VII Exercise of delegation and committee procedure</p>
<p><i>Article 28</i> <i>Exercise of the delegation</i></p>	<p><i>Article 28</i> <i>Exercise of the delegation</i></p>	<p><i>Article 28</i> <i>Exercise of the delegation</i></p>
<p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p>	<p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p>	<p>1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.</p>
<p>2. The power to adopt delegated acts referred to in Articles 2(10), 2(11), 18(3) and 27(5) shall be conferred on the Commission for an indeterminate period of time.</p>	<p>2. The power to adopt delegated acts referred to in Articles 2(10), 2(11), 18(3), 20(0) and 27(5) shall be conferred on the Commission for an indeterminate period of time <u>five years from 1 January 2025. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five year period. The delegation of power shall be tacitly extended for further periods of identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each such period.</u></p>	<p>2. The power to adopt delegated acts referred to in Articles 2(10), 2(11), 18(3), 27(5), 27a(6), 31(2) and 35(6) 2(1a), 2(6), 2(10), 2(11), 7(7a), 8(3), 12a(7), 18(3), 27(5), 27a(6), 31(2) and 35(6) shall be conferred on the Commission for an indeterminate period of time.</p>
<p>3. The delegation of power referred to in Articles 2(10), 2(11), 18(3) and 27(5) may be revoked at any time by the European Parliament or by the Council.</p>	<p>3. The delegation of power referred to in Articles 2(10), 2(11), 18(3), 20(0) and 27(5) may be revoked at any time by the European Parliament or by the Council.</p>	<p>3. The delegation of power referred to in Articles 2(10), 2(11), 18(3), 27(5), 27a(6), 31(2) and 35(6) 2(1a), 2(6), 2(10), 2(11), 7(7a), 8(3), 12a(7), 18(3), 27(5), 27a(6), 31(2) and 35(6) may be revoked at any time by the European Parliament or by the Council.</p>

<p>4. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.</p>	<p>4. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.</p>	<p>4. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated act already in force.</p>
<p>5. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016.</p>	<p>5. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016.</p>	<p>5. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Inter-institutional Agreement on Better Law-Making of 13 April 2016.</p>
<p>6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>	<p>6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>	<p>6. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.</p>
<p>7. A delegated act adopted pursuant to Articles 2(10), 2(11), 18(3) and 27(5) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>	<p>7. A delegated act adopted pursuant to Articles 2(10), 2(11), 18(3), 20(0) and 27(5) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>	<p>7. A delegated act adopted pursuant to Articles 2(1a), 2(6), 2(10), 2(11), 7(7a), 8(3), 12 a(7) 18(3), 27(5), 27a(6), 31(2) and 35(6) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.</p>
<p><i>Article 29</i> <i>Exercise of implementing powers by the Commission</i></p>	<p><i>Article 29</i> <i>Exercise of implementing powers by the Commission</i></p>	<p><i>Article 29</i> <i>Exercise of implementing powers by the Commission</i></p>
<p>1. The Commission shall be assisted by the CBAM Committee. The committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</p>	<p>1. The Commission shall be assisted by the CBAM Committee. The<u>That</u> committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</p>	<p>1. The Commission shall be assisted by the CBAM Committee. The committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</p>

<p>2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.</p>	<p>2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.</p>	<p>2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.</p>
<p>Chapter VIII Reporting and review</p>	<p>Chapter VIII Reporting and review</p>	<p>Chapter VIII Reporting and review</p>
<p><i>Article 30 Review and reporting by the Commission</i></p>	<p><i>Article 30 Review and reporting by the Commission</i></p>	<p><i>Article 30 Review and reporting by the Commission</i></p>
<p>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.</p>	<p>1. The Commission shall collect the information necessary with a view to <u>extending the extension of</u> the scope of this Regulation, to indirect emissions <u>as soon as possible,</u> and <u>to goods further down the value chain, and</u> goods other than those listed in Annex I, and develop methods of calculating embedded emissions based on environmental footprint methods.</p>	<p>1. The Commission shall collect, <i>in consultation with relevant stakeholders</i>, the information necessary <i>for the extension of the scope to other sectors and to downstream products laid down in Article 2(1a)</i> of this Regulation, <i>and for the development of</i> methods of calculating embedded emissions based on environmental footprint methods.</p>

<p>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 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 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.</p>	<p>2. Before the end of the transitional period<u>1 January 2026</u>, 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 <u>address the issue of the further extension</u> of the possibilities to further extend the scope of embedded emissions to indirect emissions and to goods further down the value chain, <u>and</u> other goods at risk of carbon leakage than those already covered by this Regulation, as well as. <u>The report shall also assess progress made in international discussions regarding climate action. The report shall contain</u> an assessment of the governance system. <u>Impact of the mechanism on carbon leakage, including in relation to exports. The report</u> shall also contain the <u>an</u> assessment of the possibility<u>possibilities</u> 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. <u>The report shall also contain an assessment of the governance system, including administrative costs, of circumvention practices, of the application of Article 2(2a) of this Regulation, and of the impact of the future mechanism on the sectors covered and on downstream sectors using their goods as inputs, on international trade, including resource shuffling, and on least developed countries. It shall also contain an assessment of the possibility to develop methods of calculating embedded emissions based on environmental footprint methods.</u></p>	<p>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 <i>first</i> report shall in particular <i>focus on</i> possibilities to <i>enhance</i> this Regulation <i>towards the objective of a climate-neutral Union by 2050 at the latest, and</i> shall <i>assess</i> the possibility to further extend the scope to embedded emissions of transportation services. <i>It shall furthermore evaluate the technical specificities of calculating embedded emissions for organic chemicals and polymers, their value chains and the ability of the mechanism to sufficiently address the risk of carbon leakage for those sectors. Based on the report, the Commission may, if appropriate, put forward a legislative proposal to adjust the CBAM factor referred to in Article 31 or to defer the entry into force of Article 36(3), point (d), with regard to those goods.</i></p>
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<p>3. The report by the Commission shall, if appropriate, be accompanied by a legislative proposal.</p>	<p>3. The report by the Commission<u>referred to in paragraph 2</u> shall, if appropriate, be accompanied by a legislative proposal<u>, in particular with a view to extending the scope of this Regulation, to indirect emissions as soon as possible, and to goods further down the value chain, also taking into account progress made in international discussions regarding climate action.</u></p>	<p>3. <i>After 2028</i>, the Commission shall <i>monitor the functioning of CBAM and submit a report every two years to the European Parliament and to the Council on the functioning of CBAM based on the elements laid down in paragraph 2a.</i></p>
		<p>3a. <i>Where an unforeseeable, exceptional and unprovoked event outside the control of one or more third countries subject to CBAM has occurred, and that event has destructive consequences on the economic and industrial infrastructure of the countries concerned, the Commission shall assess the situation and submit to the European Parliament and to the Council a legislative proposal, as appropriate, amending this Regulation, to set out the necessary provisional measures to address those exceptional circumstances.</i></p>

	<p><u>4. Before 1 January 2028, and every two years thereafter, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The report shall contain an assessment of the impact of the mechanism on carbon leakage, including in relation to exports, on the sectors covered, and if appropriate on downstream sectors using their goods as inputs, on the internal market, economic and territorial impact throughout the EU, inflation and the price of commodities, on international trade, including resource shuffling, and on least developed countries. The report shall also contain an assessment of the governance system and of the scope of the Regulation. The report shall also contain an assessment of circumvention practices, of the application of Article 2(2a) of this Regulation, results of investigations and penalties applied. The report shall also contain aggregated information on the emission intensity per country of origin for the different products listed in Annex I. Those reports shall, if appropriate, be accompanied by a legislative proposal.</u></p>	
<p>Chapter IX Coordination with free allocation of allowances under the EU ETS</p>	<p>Chapter IX Coordination with free allocation of allowances under the EU ETS</p>	<p>Chapter IX Coordination with free allocation of allowances under the EU ETS</p>
<p><i>Article 31 Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates</i></p>	<p><i>Article 31 Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates</i></p>	<p><i>Article 31 Free allocation of allowances under the EU ETS and obligation to surrender CBAM certificates</i></p>
<p>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.</p>	<p>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.</p>	<p>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.</p>

		<p><i>1c. No free allocation shall be given in relation to the production within the Union of products listed in Annex I as from the date of application of the CBAM, as provided for in Article 36(3).</i></p>
		<p><i>By way of derogation from the first subparagraph, until 2032, the production of those products shall benefit from free allocation in reduced amounts. A CBAM factor reducing the allocation for the production of these products shall be applied. The CBAM factor shall be equal to 100 % for the period from 1 January 2023 until 31 December 2026 and contingent upon application of Article 36(3), point (d), of this Regulation, 93 % in 2027, 84 % in 2028, 69 % in 2029, 50 % in 2030, 25 % in 2031, and reach 0 % in 2032.</i></p>
		<p><i>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) shall be equal to 100% the first year, 93 % the second year, 84 %the third year, 69 % the fourth year, 50 % the fifth year, 25 % the sixth year and reach 0 % after 6 years.</i></p>

		<p><i>The reduction of free allocation shall be calculated annually as the average share of the demand for free allocation for the production of products 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, and the CBAM factor shall be applied.</i></p>
		<p><i>1d. In order to ensure a level playing field, by way of derogation from paragraph 1 (c), first and second subparagraphs, the production in the Union of products listed in Annex I to this Regulation shall continue to receive free allocation, provided such products are produced for export to third countries without carbon pricing mechanisms similar to the EU ETS.</i></p>
		<p><i>By 31 December 2025, the Commission shall present a report to the European Parliament and to the Council in which it shall provide a detailed assessment of the effects of the EU ETS and CBAM on the production in the Union of products listed in Annex I to this Regulation that are produced for export to third countries and on the development of global emissions, as well as an assessment of the WTO compatibility of the derogation laid down in the first subparagraph.</i></p>

		<p><i>The Commission shall, where appropriate, accompany that report with a legislative proposal providing for a protection against the risk of carbon leakage that equalises carbon pricing for the production in the Union of products listed in Annex I to this Regulation that are produced for export to third countries without carbon pricing mechanisms similar to the EU ETS in a way that is WTO compatible by 31 December 2026, assessing in particular potential export adjustment mechanisms for installations belonging to the 10 % most efficient installations as laid down in Article 10a of Directive 2003/87/EC, in the light of WTO compatibility or any other proposals the Commission deems appropriate.</i></p>

<p>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).</p>	<p>2. The Commission is empowered to adopt implementing acts laying down a <u>detailed rules for the calculation methodology for of the reduction adjustment</u> referred to in paragraph 1. <u>Such detailed rules shall be elaborated by reference to the principles applied in the EU ETS for the free allocation of allowances to installations producing, within the Union, the goods listed in Annex I, taking account of the different benchmarks used in the EU ETS for the free allocation with a view to combining them into corresponding values for the concerned goods, and taking into account relevant input materials.</u> Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).</p>	<p>2. The Commission is empowered to adopt <i>delegated acts in accordance with Article 28 supplementing this Regulation by</i> laying down a calculation methodology for the reduction referred to in paragraph 1.</p>
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		<p><i>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.</i></p>
Chapter X Transitional provisions	Chapter X Transitional provisions	Chapter X Transitional provisions
Article 32 Scope	Article 32 <i>Scope Transitional period</i>	Article 32 Scope

<p>During the transitional period of this Regulation, the CBAM mechanism shall apply as a reporting obligation as set out in Articles 33 to 35.</p>	<p>During the transitional period of this Regulation, the CBAM mechanism shall apply as a reporting obligation as set out in Articles 33 to 35. <u>During the transitional period from 1 January 2023 until 31 December 2025, the obligations of the importer under this Regulation shall be limited to the reporting obligations set out in Articles 33 to 35. Where such importer is established in a Member State and uses indirect representation in accordance with Article 18 of Regulation (EU) No 952/2013, and where the indirect customs representative so agrees, the reporting obligations shall apply to such indirect customs representative. Where the importer is not established in a Member State, the reporting obligations shall apply to the indirect customs representative.</u></p>	<p>During the transitional period of this Regulation, the CBAM mechanism shall apply as a reporting obligation as set out in Articles 33 to 35.</p>
<p><i>Article 33 Importation of goods</i></p>	<p><i>Article 33 Importation of goods</i></p>	<p><i>Article 33 Importation of goods</i></p>
<p>1. A declarant importing goods shall be obliged to fulfil a reporting obligation as set out in Article 35.</p>	<p>1. A declarant importing goods shall be obliged to fulfil a reporting obligation as set out in Article 35. <u>1. (deleted)</u></p>	<p>1. A declarant importing goods shall be obliged to fulfil a reporting obligation as set out in Article 35.</p>
<p>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.</p>	<p>2. The customs authorities shall <u>inform the customs declarant of the reporting obligation referred to in Article 35</u>, at the <u>latest at the</u> moment of the release of those goods for free circulation at the latest; inform the declarant of the obligation referred to in paragraph 1.</p>	<p>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.</p>

<p>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.</p>	<p>3. The customs authorities shall periodically and automatically, 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 Commission information on imported goods, including processed products resulting from the outward processing procedure. Such information shall include the EORI number of the customs declarant, and of the importer, the eight-digit CN code, the quantity, the country of origin and, the customs declarant of the goods, the date of declaration and the customs procedure.</p>	<p>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.</p>
	<p>4. The Commission shall communicate the information referred to in paragraph 3 to the competent authorities of the Member States where the customs declarant, and where applicable the importer, are established.</p>	
<p><i>Article 34 Reporting obligation for certain customs procedures</i></p>	<p><i>Article 34 Reporting obligation for certain customs procedures</i></p>	<p><i>Article 34 Reporting obligation for certain customs procedures</i></p>
<p>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.</p>	<p>1. ForWhere processed goodsproducts resulting from the inward processing procedure as referred to in Article 256 of Regulation (EU) No 952/2013 are imported, the reporting obligation referred to in Article 3335 (1) shall include the information on the goods that were placed under the inward processing procedure that are listed and resulted in Annex I to this Regulationthe imported processed products, even if the processed product isproducts are not listed in that AnnexAnnex I to this Regulation. This provision shall also apply where the processed products resulting from the inward processing procedure are returned goods as referred to in Article 205 of Regulation (EU) No 952/2013.</p>	<p>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.</p>

<p>2. The reporting obligation shall not apply to import of:</p>	<p>2. The reporting obligation referred to in Article 35(1) shall not apply to the import of:</p>	<p>2. The reporting obligation shall not apply to import of:</p>
<p>(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;</p>	<p>(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;</p>	<p>(a) processed products resulting from the outward processing procedure as referred to in Article 259 of Regulation (EU) No 952/2013;</p>
<p>(b) imported goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.</p>	<p>(b) imported goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.</p>	<p>(b) imported goods qualifying as returned goods in accordance with Article 203 of Regulation (EU) No 952/2013.</p>
<p style="text-align: center;"><i>Article 35 Reporting obligation</i></p>	<p style="text-align: center;"><i>Article 35 Reporting obligation</i></p>	<p style="text-align: center;"><i>Article 35 Reporting obligation</i></p>
<p>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.</p>	<p>1. Each declarant shall, for each importer having imported goods during a given quarter of a calendar year shall, for that quarter, 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 Commission, no later than one month after the end of each quarter.</p>	<p>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.</p>
<p>2. The CBAM report shall include the following information:</p>	<p>2. The CBAM report shall include the following information:</p>	<p>2. The CBAM report shall include the following information:</p>
<p>(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;</p>	<p>(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;</p>	<p>(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;</p>
<p>(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 accordance with the method set out in Annex III;</p>	<p>(b) the actual total embedded emissions, expressed in tonnes of CO₂e emissions per megawatt-hour of electricity or for other goods in tonnetonnes of CO₂e emissions per tonne of each type of goods, calculated in accordance with the method set out in Annex III;</p>	<p>(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 accordance with the method set out in Annex III;</p>

<p>(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;</p>	<p>(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;</p>	<p>(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 <i>a delegated</i> act referred to in paragraph 6;</p>
<p>(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.</p>	<p>(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 taking into account relevant rebates or other forms of compensation on exportation.</p>	<p>(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.</p>
<p>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.</p>	<p>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. <u>4. The Commission shall periodically communicate to the competent authorities a list of importers established in their Member State, in respect of which it has reasons to believe that they have failed to comply with the obligation to submit a CBAM report as specified in paragraph 1, and the corresponding justifications.</u></p>	<p>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.</p>
<p>4. The competent authority shall impose a proportionate and dissuasive penalty on declarants who fail to submit a CBAM report.</p>	<p>4. The competent authority shall impose a proportionate and dissuasive penalty on declarants who fail to submit a CBAM report.</p>	<p>4. The CBAM authority shall impose a proportionate and dissuasive penalty on declarants who fail to submit a CBAM report.</p>

<p>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:</p>	<p>5. If the competent authority determines, <u>including based on information provided by the Commission pursuant to the previous paragraph</u>, that a <u>declarant importer</u> has failed to comply with the obligation to submit a CBAM report <u>as specified referred to</u> in paragraph 1, <u>it shall impose an effective, proportionate and dissuasive penalty on the importer. To that end</u>, the competent authority shall impose the penalty and notify the declarant<u>importer</u>:</p>	<p>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:</p>
<p>(a) that the competent authority has concluded that the declarant fails to comply with the obligation of submitting a report for a given quarter;</p>	<p>(a) that the competent authority has concluded that the declarant fails<u>importer failed</u> to comply with the obligation of submitting a report for a given quarter;</p>	<p>(a) that the CBAM authority has concluded that the declarant fails to comply with the obligation of submitting a report for a given quarter;</p>
<p>(b) of the reasons for its conclusion;</p>	<p>(b) of the reasons for its conclusion;</p>	<p>(b) of the reasons for its conclusion;</p>
<p>(c) of the amount of the penalty imposed on the declarant;</p>	<p>(c) of the amount of the penalty imposed on the declarant<u>importer</u>;</p>	<p>(c) of the amount of the penalty imposed on the declarant;</p>
<p>(d) of the date from which the penalty is due;</p>	<p>(d) of the date from which the penalty is due;</p>	<p>(d) of the date from which the penalty is due;</p>
<p>(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</p>	<p>(e) of the action <u>that</u> the competent authority considers the declarant should <u>importer is to</u> take to comply with its obligation under point (a) depending on the facts and circumstances of the case <u>pay the penalty</u>; and</p>	<p>(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</p>
<p>(f) of the right of the declarant or to appeal under national rules.</p>	<p>(f) of the right of the declarant<u>importer</u> or to appeal under national rules.</p>	<p>(f) of the right of the declarant or to appeal under national rules.</p>

<p>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.</p>	<p>6. The Commission is empowered to adopt implementing acts concerning the information to be reported, the procedures for <u>communicating the including detailed information per country of origin and type of goods supporting the totals</u> referred to in paragraph 3<u>2</u>, <u>examples of relevant rebates or other forms of compensation referred to in paragraph 2(d), the indicative range of penalties to be applied pursuant to paragraph 5</u> and the <u>criteria to take into account for determining the actual amount, including the gravity and duration of the failure to report, and detailed rules regarding the</u> conversion of the <u>yearly average</u> carbon price paid<u>due</u> in foreign currency <u>referred to in paragraph 2(d)</u> into euro at the yearly average exchange rate. The Commission is also empowered to adopt implementing acts to further define the necessary <u>concerning detailed rules regarding the</u> elements of the calculation method<u>methods</u> 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.<u>2</u>. The Commission is further empowered to adopt implementing acts to develop a calculation method on the <u>reporting requirements</u> for indirect emissions embedded in imported goods. These should include the quantity of electricity used for the production of the goods listed in Annex I, as well as the country of origin, generation source and CO2 emission factor related to this electricity.</p>	<p>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 <i>delegated acts in accordance with Article 28 supplementing this Regulation</i> to develop a calculation method for indirect emissions embedded in imported goods.</p>
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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).	7. The Those implementing acts referred to in the first subparagraph shall be adopted in accordance with the examination procedure referred to in Article 29(2). and shall apply during the transitional period referred to in Article 32. They shall build upon existing legislation for installations covered by Directive 2003/87/EC.	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).
Chapter XI Final provisions	Chapter XI Final provisions	Chapter XI Final provisions
<i>Article 36 Entry into force</i>	<i>Article 36 Entry into force</i>	<i>Article 36 Entry into force</i>
1. This Regulation shall enter into force on the [twentieth] day following that of its publication in the Official Journal of the European Union.	1. This Regulation shall enter into force on the [twentieth] day following that of its publication in the Official Journal of the European Union.	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.	2. It shall apply from 1 January 2023.	2. It shall apply from 1 January 2023.
3. By way of derogation from paragraph 2:	3. By way of derogation from paragraph 2:	3. By way of derogation from paragraph 2:
(a) Articles 32 to 34 shall apply until 31 December 2025.	(a) Articles 32 to 34 and 17 shall apply until 31 December from 1 January 2025 ;	(a) Articles 32 to 34 shall apply until 31 December 2026 .
(b) Article 35 shall apply until 28 February 2026.	(b) Article 35 Articles 2(2), 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply until 28 February from 1 January 2026 .	(b) Article 35 shall apply until 28 February 2027 .
(c) Articles 5 and 17 shall apply from 1 September 2025.	(c) Articles 5, 33, 34 and 17 35(1), (2), (3), (4), (6) and (7) shall apply from 1 September until 31 December 2025 .	(c) Articles 5 and 17 shall apply from 1 September 2026 .
(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.	(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 .	(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 2027 .
This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.	This Regulation shall be binding in its entirety and directly applicable in all Member States.
Done at Brussels,	Done at Brussels,	Done at Brussels,
For the European Parliament For the Council	For the European Parliament For the Council	For the European Parliament For the Council
The President The President	The President The President	The President The President

ANNEX I

**List of goods and greenhouse gases [NOTE: EP ADDITIONS TO ANNEX I HIGHLIGHTED;
COUNCIL - BOLD UNDERLINE]**

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 30 00 – Aluminous 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

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).

<p>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</p> <ul style="list-style-type: none"> - Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium 	Carbon dioxide and nitrous oxide
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Iron and Steel

CN code	Greenhouse gas
<p>72 – Iron and steel</p> <p>Except:</p> <ul style="list-style-type: none"> 7202 – Ferro-alloys, 7204 – Ferrous waste and scrap; remelting scrap ingots and steel 	Carbon dioxide
<p>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</p>	Carbon dioxide
<p>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</p>	Carbon dioxide
<p>7303 00 – Tubes, pipes and hollow profiles, of cast iron</p>	Carbon dioxide
<p>7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel</p>	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
<u>7326 – Other articles of iron or steel</u>	<u>Carbon dioxide</u>

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

<u>7610 – Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures</u>	<u>Carbon dioxide and perfluorocarbons</u>
<u>7611 00 00 – Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment</u>	<u>Carbon dioxide and perfluorocarbons</u>
<u>7612 – Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment</u>	<u>Carbon dioxide and perfluorocarbons</u>
<u>7613 00 00 – Aluminium containers for compressed or liquefied gas</u>	<u>Carbon dioxide and perfluorocarbons</u>
<u>7614 – Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated</u>	<u>Carbon dioxide and perfluorocarbons</u>
<u>7616 – Other articles of aluminium</u>	<u>Carbon dioxide and perfluorocarbons</u>

Chemicals

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

Polymers

CN code	Greenhouse gas
39 - Plastics and articles thereof	carbon dioxide and nitrous oxide

<p style="text-align: center;"><u>ANNEX II</u> <u>Countries and territories</u> <u>outside the scope of this</u> <u>Regulation</u></p>	<p style="text-align: center;">ANNEX II Countries and territories outside the scope of this Regulation <u>for the purpose</u> <u>of Article 2</u></p>	<p style="text-align: center;">ANNEX II Countries and territories outside the scope of this Regulation</p>
<p>1. SECTION A - COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION</p>	<p>1. SECTION A - COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION</p>	<p>1. Section A- Countries and territories outside the scope of this Regulation</p>
<p>This Regulation shall not apply to goods originating in the following countries:</p>	<p>This Regulation shall not apply to goods originating in the following countries:</p>	<p>This Regulation shall not apply to goods originating in the following countries:</p>
<p>– Iceland</p>	<p>– Iceland</p>	<p>– Iceland</p>
<p>– Liechtenstein</p>	<p>– Liechtenstein</p>	<p>– Liechtenstein</p>
<p>– Norway</p>	<p>– Norway</p>	<p>– Norway</p>
<p>– Switzerland</p>	<p>– Switzerland</p>	<p>– Switzerland</p>
<p>This Regulation shall not apply to goods originating in the following territories:</p>	<p>This Regulation shall not apply to goods originating in the following territories:</p>	<p>This Regulation shall not apply to goods originating in the following territories:</p>
<p>– Büsingen</p>	<p>– Büsingen</p>	<p>– Büsingen</p>
<p>– Heligoland</p>	<p>– Heligoland</p>	<p>– Heligoland</p>
<p>– Livigno</p>	<p>– Livigno</p>	<p>– Livigno</p>
<p>– Ceuta</p>	<p>– Ceuta</p>	<p>– Ceuta</p>

– Melilla	– Melilla	– Melilla
2. SECTION B - COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION WITH REGARD TO THE IMPORTATION OF ELECTRICITY INTO THE CUSTOMS TERRITORY OF THE UNION	2. SECTION B - COUNTRIES AND TERRITORIES OUTSIDE THE SCOPE OF THIS REGULATION WITH REGARD TO THE IMPORTATION OF ELECTRICITY INTO THE CUSTOMS TERRITORY OF THE UNION	2. Section B - Countries and territories outside the scope of this Regulation with regard to the importation of electricity into the customs territory of the Union
[Currently empty]	[Currently empty]	[Currently empty]
<u>ANNEX III</u> <u>Methods for calculating embedded emissions</u>	ANNEX III Methods for calculating embedded emissions <u>for the purpose of Article 7</u>	ANNEX III Methods for calculating embedded emissions
1. DEFINITIONS	1. DEFINITIONS	1. Definitions
For the purposes of this Annex and Annex IV, the following definitions apply:	For the purposes of this Annex and <u>Annex of Annexes IV and V</u> , the following definitions apply:	For the purposes of this Annex and Annex IV, the following definitions apply:
(a) ‘simple goods’ means goods produced in a production process requiring exclusively input materials and fuels having zero embedded emissions;	(a) ‘simple goods’ means goods produced in a production process requiring exclusively input materials and fuels having zero embedded emissions;	(a) ‘simple goods’ means goods produced in a production process requiring exclusively input materials and fuels having zero embedded emissions;

<p>(b) ‘complex goods’ means goods requiring the input of other simple goods in its production process;</p>	<p>(b) ‘complex goods’ means goods requiring the input of other than simple goods in its production process;</p>	<p>(b) ‘complex goods’ means goods requiring the input of other simple goods in its production process;</p>
<p>(c) ‘specific embedded emissions’ means the embedded emissions of one tonne of goods, expressed as tonnes of CO₂e emissions per tonne of goods;</p>	<p>(c) ‘specific embedded emissions’ means the embedded emissions of one tonne of goods, expressed as tonnes of CO₂e emissions per tonne of goods;</p>	<p>(c) ‘specific embedded emissions’ means the embedded emissions of one tonne of goods, expressed as tonnes of CO₂e emissions per tonne of goods;</p>
<p>(d) ‘CO₂ emission factor’, means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in a geographic area. The CO₂ emission factor is the result of the division of the CO₂ emission data of the energy sector divided by the gross electricity generation based on fossil fuels. It is expressed in tonne of CO₂ per megawatt-hour;</p>	<p>(d) ‘CO₂ emission factor’; means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in within a geographic area. The CO₂ emission factor is the result of the division of the CO₂ emission data of the energy electricity sector divided by the gross electricity generation based on fossil fuels. in the relevant geographic area. It is expressed in tonne tonnes of CO₂ per megawatt-hour;</p>	<p>(d) ‘CO₂ emission factor’, means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in a geographic area. The CO₂ emission factor is the result of the division of the CO₂ emission data of the energy sector divided by the gross electricity generation based on fossil fuels. It is expressed in tonne of CO₂ per megawatt-hour;</p>

<p>(e) ‘power purchase agreement’ means a contract under which a person agrees to purchase electricity directly from an electricity producer;</p>	<p>(e) ‘power purchase agreement’ means a contract under which a person agrees to purchase electricity directly from an electricity producer;</p>	<p>(e) ‘power purchase agreement’ means a contract under which a person agrees to purchase electricity directly from an electricity producer;</p>
<p>(f) ‘Transmission System Operator’ means an operator as defined in Article 2(35) of Directive (EU) 2019/944 of the European Parliament and of the Council ().</p>	<p>(f) ‘Transmission System Operator’ transmission system operator’ means an operator as defined in Article 2(35) of Directive (EU) 2019/944 of the European Parliament and of the Council ().</p>	<p>(f) ‘Transmission System Operator’ means an operator as defined in Article 2(35) of Directive (EU) 2019/944 of the European Parliament and of the Council ().</p>
<p>2. DETERMINATION OF ACTUAL DIRECT EMBEDDED EMISSIONS FOR SIMPLE GOODS</p>	<p>2. DETERMINATION OF ACTUAL DIRECT <u>SPECIFIC</u> EMBEDDED EMISSIONS FOR SIMPLE GOODS</p>	<p>2. Determination of actual direct embedded emissions for simple goods</p>
<p>For determining the specific actual embedded emissions of simple goods produced in a given installation, only direct emissions shall be accounted for. For this purpose, the following equation is to be applied:</p>	<p>For determining the specific actual embedded emissions of simple goods produced in a given installation, only direct emissions shall be accounted for. For this purpose, the following equation is to be applied:</p>	<p>For determining the specific actual embedded emissions of simple goods produced in a given installation, both direct and indirect emissions shall be accounted for. For this purpose, the following equation is to be applied:</p>
$SEE_g = \frac{AttrEm_g}{AL_g}$	$SEE_g = \frac{AttrEm_g}{AL_g}$	$SEE_g = \frac{AttrEm_g}{AL_g}$

<p>Where SEE_g are the specific embedded emissions of goods g, in terms of CO₂e per tonne, $AttrEm_g$ are the attributed emissions of goods g, and AL_g is the activity level of the goods. The activity level is the amount of the goods produced in the reporting period in that installation.</p>	<p>Where SEE_g are the specific embedded emissions of goods g, in terms of CO₂e per tonne, $AttrEm_g$ are the attributed emissions of goods g, and AL_g is the activity level of the goods. The activity level is, being the amount quantity of the goods produced in the reporting period in that installation.</p>	<p>Where SEE_g are the specific embedded emissions of goods g, in terms of CO₂e per tonne, $AttrEm_g$ are the attributed emissions of goods g, and AL_g is the activity level of the goods. The activity level is the amount of the goods produced in the reporting period in that installation.</p>
<p>‘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:</p>	<p>‘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 production process defined by the implementing acts adopted pursuant to Article 7(6). The attributed emissions shall be calculated using the following equation:</p>	<p>‘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:</p>
$AttrEm_g = DirEm$	$AttrEm_g = DirEm$	$Attr_g = DirEm + Em_{el} - Em_{el,exp}$

Where DirEm are the direct emissions, resulting from the production process, expressed in tonnes of CO ₂ e, within the system boundaries referred to in the implementing act pursuant to Article 7(6).	Where DirEm are the direct emissions, resulting from the production process, expressed in tonnes of CO ₂ e, within the system boundaries referred to in the implementing act adopted pursuant to Article 7(6).	Where DirEm are the direct emissions, resulting from the production process, expressed in tonnes of CO ₂ e, within the system boundaries referred to in the implementing act pursuant to Article 7(6).
3. DETERMINATION OF ACTUAL DIRECT EMBEDDED EMISSIONS FOR COMPLEX GOODS	3. DETERMINATION OF ACTUAL DIRECT EMBEDDED EMISSIONS FOR COMPLEX GOODS	3. Determination of actual <i>direct</i> embedded emissions for complex goods
For determining the specific actual embedded emissions of complex goods produced in a given installation, only direct emissions will accounted for. In this case, the following equation is to be applied:	For determining the specific actual embedded emissions of complex goods produced in a given installation, only direct emissions will accounted for. In this case, the following equation is to be applied:	For determining the specific actual embedded emissions of complex goods produced in a given installation, only direct emissions will accounted for. In this case, the following equation is to be applied:
$SEE_g = \frac{AttrEm_g + EE_{InpMat}}{AL_g}$	$SEE_g = \frac{AttrEm_g + EE_{InpMat}}{AL_g}$	$SEE_g = \frac{AttrEm_g + EE_{InpMat}}{AL_g}$

<p>Where AttrEmg are the attributed emissions of goods g, and AL_g the activity level of the goods, the latter being the amount of goods produced in the reporting period in that installation, and EE_{ImpMat} are the embedded emissions of the input materials (precursors) consumed in the production process. Only input materials listed as relevant to the system boundaries of the production process as specified in the implementing act adopted pursuant to Article 7(6) are to be considered. The relevant EE_{ImpMat} are calculated as follows:</p>	<p>Where AttrEmg are the attributed emissions of goods g, and AL_g the activity level of the goods, the latter being the amount<u>quantity</u> of goods produced in the reporting period in that installation, and EE_{ImpMat} are the embedded emissions of the input materials (precursors) consumed in the production process. Only input materials listed as relevant to the system boundaries of the production process as specified in the implementing act adopted pursuant to Article 7(6) are to be considered. The relevant EE_{ImpMat} are calculated as follows:</p>	<p>Where AttrEmg are the attributed emissions of goods g, and AL_g the activity level of the goods, the latter being the amount of goods produced in the reporting period in that installation, and EE_{ImpMat} are the embedded emissions of the input materials (precursors) consumed in the production process. Only input materials listed as relevant to the system boundaries of the production process as specified in the implementing act adopted pursuant to Article 7(6) are to be considered. The relevant EE_{ImpMat} are calculated as follows:</p>
$EE_{ImpMat} = \sum_{i=1}^n M_i \cdot SEE_i$	$EE_{ImpMat} = \sum_{i=1}^n M_i \cdot SEE_i$	$EE_{ImpMat} = \sum_{i=1}^n M_i \cdot SEE_i$

<p>Where M_i is the mass of input material i used in the production process, and SEE_i its specific embedded emissions for the input material. For SEE_i the operator of the installation shall use the value of emissions resulting from the installation where the input material was produced, provided that that installation's data can be adequately measured.</p>	<p>Where M_i is the mass of input material i used in the production process, and SEE_i itsare the specific embedded emissions for the input material <u>i</u>. For SEE_i, the operator of the installation shall use the value of actual direct embedded emissions resulting from the installation where the input material was produced, provided that that installation's data can be adequately measured.</p>	<p>Where M_i is the mass of input material i used in the production process, and SEE_i its specific embedded emissions for the input material. For SEE_i the operator of the installation shall use the value of emissions resulting from the installation where the input material was produced, provided that that installation's data can be adequately measured.</p>
<p>4. DETERMINATION OF DEFAULT VALUES REFERRED IN ARTICLES 7(2) AND (3)</p>	<p>4. DETERMINATION OF DEFAULT VALUES REFERRED IN ARTICLES 7(2) AND (3)</p>	<p>4. Determination of default values referred in Articles 7(2) and (3)</p>
<p>If actual monitoring data referring to direct emissions in accordance with points 2 and 3 cannot be adequately provided, a default value shall apply.</p>	<p>If actual monitoring data referring to direct emissions in accordance with points 2 and 3 cannot be adequately provided, a default value shall apply.</p>	<p>If actual monitoring data referring to direct emissions in accordance with points 2 and 3 cannot be adequately provided, a default value shall apply.</p>

<p>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.</p>	<p>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 the implementing acts <u>adopted pursuant to Article 7(6)</u> 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.</p>	<p>For the purpose of determining default values, only actual values <i>from the country where actual emissions took place</i>, shall be used for the determination of embedded emissions. In the absence of actual data <i>or when the use of actual data would lead to low default values favouring free-riding behaviour</i>, 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. <i>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</i></p>
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4.1. Default values referred in Article 7(2)	4.1. Default values referred <u>to</u> in Article 7(2)	4.1. Default values referred in Article 7(2)
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<p>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.</p>	<p>When actual emissions cannot be adequately determined by the authorised CBAM declarant, default values shall be used. TheseThose 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 <u>proportionately designed mark-up, the latter to. This mark-up shall</u> be determined in the implementing acts <u>adopted pursuant to Article 7(6)</u> of this Regulation. and <u>shall be set at an appropriate level to ensure the environmental integrity of the mechanism, building on the most up-to-date and reliable information, including on the basis of information gathered during the transition period.</u></p>	<p>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 <i>the 10% worst performing installations in</i> 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. <i>Under no circumstances shall default values 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 default values are used.</i></p>
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	<p>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 10X per cent worst performing EU ETS installations for that type of goods. <u>The value of X shall be determined in the implementing acts adopted pursuant to Article 7(6) of this Regulation and shall be set at an appropriate level to ensure the environmental integrity of the mechanism, building on the most up-to-date and reliable information, including on the basis of information gathered during the transition period.</u></p>	
<p>4.2. Default values for imported electricity in Article 7(3)</p>	<p>4.2. Default values for imported electricity <u>referred to</u> in Article 7(3)</p>	<p>4.2. Default values for imported electricity in Article 7(3)</p>

<p>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.</p>	<p>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 <u>based on either specific default values, in accordance with point 4.2.1,</u> or, if those values are not available, on EU alternative default values for similar, <u>in accordance with point 4.2.2.</u></p>	<p>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.</p>
	<p><u>Where the electricity production in the EU, according to point 4.2.2, is produced in a third country, group of third countries or region within a third country, and transits through third countries, groups of third countries or regions within a third country, or Member States with the purpose of being imported into the Union, the default values to be used are the ones from the third country, group of third countries or region within a third country where the electricity was produced.</u></p>	

<p>4.2.1. <i>Specific default values for a third country, group of third countries or region within a third country</i></p>	<p>4.2.1. <i>Specific default values for a third country, group of third countries or region within a third country</i></p>	<p>4.2.1. Specific default values for a third country, group of third countries or region within a third country</p>
<p>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.</p>	<p>Specific default values shall be based on the best data available to the Commission determining the average <u>set at the</u> 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, <u>based on the best data available to the Commission.</u></p>	<p>Specific default values shall be based on the 10% worst performing installations producing electricity in the third country, group of third countries or region within a third country.</p>
<p>Where specific default values are determined for a third country, a group of third countries or a region within a third country, and electricity is imported from another third country or another region into the third country, or another group of third countries or region within a third country with the purpose of being re-exported to the Union, the same specific default value shall not be used.</p>	<p>Where specific default values are determined for a third country, a group of third countries or a region within a third country, and electricity is imported from another third country or another region into the third country, or another group of third countries or region within a third country with the purpose of being re-exported to the Union, the same specific default value shall not be used.</p>	<p>Where specific default values are determined for a third country, a group of third countries or a region within a third country, and electricity is imported from another third country or another region into the third country, or another group of third countries or region within a third country with the purpose of being re-exported to the Union, the same specific default value shall not be used.</p>

4.2.2. <i>Alternative default values</i>	4.2.2. <i>Alternative default values</i>	4.2.2. <i>Alternative default values</i>
<p>Where no specific default value has been determined for a third country, a group of third countries, or a region within a third country, the default value for electricity shall represent the CO₂ emission factor in the EU, in tonne of CO₂ per megawatt-hour. That means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in the EU. The weight reflects the production mix of the fossil fuels in the EU. The CO₂ factor is the result of the division of the CO₂ emission data of the energy industry divided by the gross electricity generation based on fossil fuels in megawatt-hour.</p>	<p>Where no specific default value has been determined is not available for a third country, a group of third countries, or a region within a third country, the alternative default value for electricity shall represent be set at the CO₂ emission factor in the EU, in tonne of CO₂ per megawatt-hour. That means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in the EU. The weight reflects the production mix of the fossil fuels in the EU. The CO₂ factor is the result of the division of the CO₂ emission data of the energy industry divided by the gross electricity generation based on fossil fuels in megawatt-hour.</p>	<p>Where no specific default value has been determined for a third country, a group of third countries, or a region within a third country, the default value for electricity shall represent the CO₂ emission factor in the EU, in tonne of CO₂ per megawatt-hour. That means the weighted average of the CO₂ intensity of electricity produced from fossil fuels in the EU. The weight reflects the production mix of the fossil fuels in the EU. The CO₂ factor is the result of the division of the CO₂ emission data of the energy industry divided by the gross electricity generation based on fossil fuels in megawatt-hour.</p>

<p>Where authorised declarants of goods originating in a third country, or for a group of third countries having a significant exchange of electricity with the EU, it can be demonstrated, on the basis of reliable data, that the average CO₂ emission factor of price-setting sources in that third country or that group of third countries is lower than the one in the EU or lower than the specific default value, an alternative default value based on that average CO_{2e} emission factor shall be established for that country or group of countries.</p> <p>Where alternative default values are defined for a third country or region in a third country, or a group of third countries or regions within third countries, and electricity is imported from another third country or from another region within a third country, or another group of third countries or regions within third countries into the third country subject to the alternative default value, the same alternative default value may not be used.</p>	<p>Where authorised declarants of goods originating in a third country, or for a group of third countries having a significant exchange of electricity with the EU, Where it can be demonstrated, on the basis of reliable data, that the average CO₂ emission factor of price-setting sources in that a third country, or that, or a region within a third country, is lower than the one in the EU or lower than the determined by the Commission or lower than the CO₂ emission factor in the EU, an alternative default value based on that average CO_{2e}CO₂ emission factor shall may be established used for that country or, or group of countries:</p> <p>—Where alternative default values are defined for a third country or region in a third country, or a group of third countries or regions within third countries, and electricity is imported from another third country or from another, or region within a third country:</p>	<p>Where authorised declarants of goods originating in a third country, or for a group of third countries having a significant exchange of electricity with the EU, it can be demonstrated, on the basis of reliable data, that the average CO₂ emission factor of price-setting sources in that third country or that group of third countries is lower than the one in the EU or lower than the specific default value, an alternative default value based on that average CO_{2e} emission factor shall be established for that country or group of countries.</p> <p>Where alternative default values are defined for a third country or region in a third country, or a group of third countries or regions within third countries, and electricity is imported from another third country or from another region within a third country, or another group of third countries or regions within third countries into the third country subject to the alternative default value, the</p>
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<p>5. CONDITIONS TO APPLYING ACTUAL EMBEDDED EMISSIONS IN ELECTRICITY</p>	<p>5. CONDITIONS toFOR APPLYING ACTUAL EMBEDDED EMISSIONS IN <u>IMPORTED</u> ELECTRICITY</p>	<p>5. Conditions to applying actual embedded emissions in electricity</p>
<p>An authorised declarant may require to apply actual embedded emissions instead of default values for the calculation referred to in Article 7(3) if the following cumulative criteria are met:</p>	<p>An authorised CBAM declarant may require to apply actual embedded emissions instead of default values for the calculation referred to in Article 7(3) if the following cumulative criteria are met:</p>	<p>An authorised declarant may require to apply actual embedded emissions instead of default values for the calculation referred to in Article 7(3) if the following cumulative criteria are met:</p>
<p>(a) the authorised declarant has concluded a power purchase agreement with a producer of electricity located in a third country for an amount of electricity that is equivalent to the amount for which the use of a specific value is claimed;</p>	<p>(a) the authorised declarant <u>has concluded an amount of electricity for which the use of actual embedded emissions is claimed is covered by</u> a power purchase agreement with<u>between the authorised CBAM declarant and</u> a producer of electricity located in a third country for an amount of electricity that is equivalent to the amount for which the use of a specific value is claimed;</p>	<p>(a) the authorised declarant has concluded a power purchase agreement with a producer of electricity located in a third country for an amount of electricity that is equivalent to the amount for which the use of a specific value is claimed;</p>

<p>(b) the installation producing electricity is either directly connected to the EU transmission system or it can be demonstrated that at the time of export, there was no physical network congestion at any point in the network between the installation and the EU transmission system;</p>	<p>(b) the installation producing electricity is either directly connected to the EU transmission system or it can be demonstrated that at the time of export, there was no physical network congestion at any point in the network between the installation and the EU transmission system;</p>	<p>(b) the installation producing electricity is either directly connected to the EU transmission system or it can be demonstrated that at the time of export, there was no physical network congestion at any point in the network between the installation and the EU transmission system;</p>
	<p><u>(bb) the installation producing electricity does not emit more than 550 grammes of CO₂ of fossil fuel origin per kilowatt-hour of electricity :</u></p>	

<p>(c) an equivalent amount of electricity to the electricity for which the use of actual embedded emissions is claimed has been firmly nominated to the allocated interconnection capacity by all responsible transmission system operators in the country of origin, the country of destination and, if relevant, each third country of transit, and the nominated capacity and the production of electricity by the installation referred to in point (b) refer to the same period of time which shall not be longer than one hour;</p>	<p>(c) an equivalent<u>the</u> amount of electricity to the electricity for which the use of actual embedded emissions is claimed has been firmly nominated to the allocated interconnection capacity by all responsible transmission system operators in the country of origin, the country of destination and, if relevant, each third country of transit, and the nominated capacity and the production of electricity by the installation referred to in point (b) refer to the same period of time which shall not be longer than one hour;</p>	<p>(c) an equivalent amount of electricity to the electricity for which the use of actual embedded emissions is claimed has been firmly nominated to the allocated interconnection capacity by all responsible transmission system operators in the country of origin, the country of destination and, if relevant, each third country of transit, and the nominated capacity and the production of electricity by the installation referred to in point (b) refer to the same period of time which shall not be longer than one hour;</p>
<p>(d) meeting the above criteria is certified by an accredited verifier. The verifier shall receive at least monthly interim reports demonstrating how the above criteria are fulfilled.</p>	<p>(d) meeting the above criteria is certified by an accredited verifier. The verifier shall receive at least monthly interim reports demonstrating how the above criteria are fulfilled.</p>	<p>(d) meeting the above criteria is certified by an accredited verifier. The verifier shall receive at least monthly interim reports demonstrating how the above criteria are fulfilled.</p>
<p>6. ADAPTATION OF DEFAULT VALUES BASED ON REGION SPECIFIC FEATURES</p>	<p>6. ADAPTATION OF DEFAULT VALUES <u>REFERRED TO IN ARTICLE 7(2)</u> BASED ON REGION- SPECIFIC <u>features</u>FEATURE</p>	<p>6. Adaptation of default values based on region specific features</p>

<p>Default values can be adapted to particular areas, regions of countries where specific characteristics prevail in terms of objective factors such as geography, natural resources, market conditions, energy mix, or industrial production. When data adapted to those specific local characteristics are available and can define more targeted default values, the latter may be used instead of default values based on EU installations.</p>	<p>Default values can be adapted to particular areas, regions of countries where specific characteristics prevail in terms of objective emission factors such as geography, natural resources, market conditions, energy mix, or industrial production. When data adapted to those specific local characteristics are available and can define more targeted default values can be defined, the latter may be used instead of default values based on EU installations.</p>	<p>Default values can be adapted to particular areas, regions of countries where specific characteristics prevail in terms of objective factors such as geography, natural resources, market conditions, energy mix, or industrial production. When data adapted to those specific local characteristics are available and can define more targeted default values, the latter may be used instead of default values based on EU installations.</p>
<p>Where declarants for goods originating in a third country, or a group of third countries can demonstrate, on the basis of reliable data, that alternative region specific adaptation of default values are lower than the default values defined by the Commission the former can be used.</p>	<p>Where declarants for goods originating in a third country, or a group of third countries, or a region within a third country, can demonstrate, on the basis of reliable data, that alternative region -specific adaptationadaptations of default values are lower than the default values defined by the Commission, the former can be used</p>	<p>Where declarants for goods originating in a third country, or a group of third countries can demonstrate, on the basis of reliable data, that alternative region specific adaptation of default values are lower than the default values defined by the Commission the former can be used.</p>

		<i>Annex IIIa</i> <i>Methodology for calculating the reduction of CBAM certificates due to free allocation under EU ETS</i>
		[see the last page for the suggested annex]
<u>ANNEX IV</u> <u>Book-keeping requirements for data used for the calculation of embedded emissions</u>	ANNEX IV Book-keeping requirements for data used for the calculation of embedded emissions <u>for the purpose of Article 7(4)</u>	ANNEX IV Book-keeping requirements for data used for the calculation of embedded emissions
1. MINIMUM DATA TO BE KEPT BY AN AUTHORISED DECLARANT FOR IMPORTED GOODS:	1. MINIMUM DATA TO BE KEPT BY AN AUTHORISED <u>CBAM</u> DECLARANT FOR IMPORTED GOODS:	1. Minimum data to be kept by an authorised declarant for imported goods:
1. Data identifying the authorised declarant:	1. Data identifying the authorised <u>CBAM</u> declarant:	1. Data identifying the authorised declarant:
(a) name;	(a) name;	(a) name;
(b) the unique identifier assigned by the competent national authority;	(b) the unique identifier assigned by the competent national authority; <u>(b) C B A M account number;</u>	(b) the unique identifier assigned by the competent national authority;
2. Data on imported goods:	2. Data on imported goods:	2. Data on imported goods:
(a) type and quantity of each type of goods;	(a) type and quantity of each type of goods;	(a) type and quantity of each type of goods;

(b) country of origin;	(b) country of origin;	(b) country of origin;
(c) actual emissions or default values.	(c) actual emissions or default values.	(c) actual emissions or default values.
2. MINIMUM DATA TO BE KEPT BY AN AUTHORISED DECLARANT FOR EMBEDDED EMISSIONS IN IMPORTED GOODS BASED ON ACTUAL EMISSIONS	2. MINIMUM DATA TO BE KEPT BY AN AUTHORISED <u>CBAM</u> DECLARANT FOR EMBEDDED EMISSIONS IN IMPORTED GOODS <u>THAT ARE DETERMINED</u> BASED ON ACTUAL EMISSIONS;	2. Minimum data to be kept by an authorised declarant for embedded emissions in imported goods based on actual emissions
For each type of goods to which this Regulation applies, the following additional data has to be kept:	For each type of <u>imported goods to which this Regulation applies where embedded emissions are determined based on actual emissions</u> , the following additional data has to <u>shall</u> be kept:	For each type of goods to which this Regulation applies, the following additional data has to be kept:
(a) identification of the installation where the goods were produced;	(a) identification of the installation where the goods were produced;	(a) identification of the installation where the goods were produced;
(b) contact information of the operator of the installation where the goods were produced;	(b) contact information of the operator of the installation where the goods were produced;	(b) contact information of the operator of the installation where the goods were produced;
(c) the verified emissions report including the data regarding the embedded emissions of each type of declared goods as set out in Annex V;	(c) the verified emissions report including the data regarding the embedded emissions of each type of declared goods <u>verification report</u> as set out in Annex V;	(c) the verified emissions report including the data regarding the embedded emissions of each type of declared goods as set out in Annex V;

(d) the specific embedded emissions of the goods.	(d) the specific embedded emissions of the goods.	(d) the specific embedded emissions of the goods.
<u>ANNEX V</u> <u>Verification principles and content of a verification report</u>	ANNEX V Verification principles and content of a verification report <u>reports for the purpose of Article 8</u>	ANNEX V Verification principles and content of a verification report
1. PRINCIPLES OF VERIFICATION	1. PRINCIPLES OF VERIFICATION	1. Principles of verification
The following principles shall apply for verifications requested according to Article 8:	The following principles shall apply for verifications requested according to Article 8:	The following principles shall apply for verifications requested according to Article 8:
(a) verifiers shall carry out verifications with an attitude of professional scepticism;	(a) verifiers shall carry out verifications with an attitude of professional scepticism;	(a) verifiers shall carry out verifications with an attitude of professional scepticism;

<p>(b) an emissions report shall be considered as verified and fit for purpose only if the verifier finds with reasonable assurance that the report is free of material misstatements and of material non-conformities regarding the calculation rules of Annex III;</p>	<p>(b) an <u>the total embedded emissions report to be declared in the CBAM declaration</u> shall be considered as verified and fit for purpose only if the verifier finds with reasonable assurance that the <u>verification</u> report is free of material misstatements and of material non-conformities regarding the calculation <u>of embedded emissions in accordance with the</u> rules of Annex III;</p>	<p>(b) an emissions report shall be considered as verified and fit for purpose only if the verifier finds with reasonable assurance that the report is free of material misstatements and of material non-conformities regarding the calculation rules of Annex III;</p>
<p>(c) installation visits by the verifier shall be mandatory except where specific criteria for waiving the installation visit are met;</p>	<p>(c) installation visits by the verifier shall be mandatory except where specific criteria for waiving the installation visit are met;</p>	<p>(c) installation visits by the verifier shall be mandatory except where the specific criteria for waiving the installation visit <i>under Article 8(3)</i> are met;</p>

<p>(d) for deciding whether misstatements or non-conformities are material, the verifier shall use thresholds given by the implementing acts adopted in accordance with Article 8. For parameters for which no such thresholds are defined, the verifier shall use expert judgement to whether misstatements, individually or when aggregated with other misstatements, justified by their size and nature, have to be considered material, i.e. and could affect the use of the report by the intended users, in particular the competent national authorities.</p>	<p>(d) for deciding whether misstatements or non-conformities are material, the verifier shall use thresholds given by the implementing acts adopted in accordance with Article 8. For parameters for which no such thresholds are defined, the verifier shall use expert judgement as to whether misstatements <u>or non-conformities</u>, individually or when aggregated with other misstatements <u>or non-conformities</u>, justified by their size and nature, have to be considered material, i.e. and could affect the use of the report by the intended users, in particular the competent national authorities.</p>	<p>(d) for deciding whether misstatements or non-conformities are material, the verifier shall use thresholds given by the implementing acts adopted in accordance with Article 8. For parameters for which no such thresholds are defined, the verifier shall use expert judgement to whether misstatements, individually or when aggregated with other misstatements, justified by their size and nature, have to be considered material, i.e. and could affect the use of the report by the intended users, in particular the competent national authorities.</p>
<p>2. CONTENT OF A VERIFICATION REPORT</p>	<p>2. CONTENT OF A VERIFICATION REPORT</p>	<p>2. Content of a verification report</p>

<p>A verification report shall include, at least, the following information:</p>	<p>A<u>The verifier shall prepare</u> a verification report shall include<u>establishing the embedded emissions of the goods and specifying all issues relevant to the work carried out and including</u>, at least, the following information:</p>	<p>A verification report shall include, at least, the following information:</p>
<p>(a) identification of the installation where the goods were produced;</p>	<p>(a) identification of the installation<u>installations</u> where the goods were produced;</p>	<p>(a) identification of the installation where the goods were produced;</p>
<p>(b) contact information of the operator of the installation where the goods were produced;</p>	<p>(b) c o n t a c t information of the operator of the installation<u>installations</u> where the goods were produced;</p>	<p>(b) c o n t a c t information of the operator of the installation where the goods were produced;</p>
<p>(c) the applicable reporting period;</p>	<p>(c) t h e applicable reporting period;</p>	<p>(c) t h e applicable reporting period;</p>
<p>(d) name and contact information of the verifier:</p>	<p>(d) name and contact information of the verifier:;</p>	<p>(d) name and contact information of the verifier:</p>
<p>(e) ID of accreditation, name of the Accreditation Body;</p>	<p>(e) ID of accreditation,<u>number of the verifier, and</u> name of the Accreditation<u>Body</u><u>accreditation body</u>;</p>	<p>(e) ID of accreditation, name of the Accreditation Body;</p>

(f) the date of the installation visit, if applicable, or the reasons for not carrying out an installation visit;	(f) the date of the installation visit installations visits , if applicable, or the reasons for not carrying out an installation visit;	(f) the date of the installation visit, if applicable, or the reasons for not carrying out an installation visit;
(g) quantities of each type of declared goods produced in the reporting period;	(g) quantities of each type of declared goods produced in the reporting period;	(g) quantities of each type of declared goods produced in the reporting period;
(h) direct emissions of the installation during the reporting period;	(h) quantification of direct emissions of the installation during the reporting period;	(h) direct emissions of the installation during the reporting period;
(i) a description on how the installation's emissions are attributed to different types of goods;	(i) a description on how the installation's emissions are attributed to different types of goods;	(i) a description on how the installation's emissions are attributed to different types of goods;
(j) quantitative information on the goods, emissions and energy flows not associated with those goods;	(j) quantitative information on the goods, emissions and energy flows not associated with those goods;	(j) quantitative information on the goods, emissions and energy flows not associated with those goods;
(k) in case of complex goods:	(k) in case of complex goods:	(k) in case of complex goods:
i. quantities of input materials (precursors) used;	i. quantities of each input materials (precursors) used;	i. quantities of input materials (precursors) used;
ii. the specific embedded emissions;	ii. the specific embedded emissions; associated with each of the input materials (precursors) used;	ii. the specific embedded emissions;

<p>iii. in case actual emissions are used: the identification of the installation where the input material has been produced and the actual emissions from the production on that material.</p>	<p>iii. in case if actual emissions are used; the identification of the installation<u>installations</u> where the input material <u>(precursor)</u> has been produced and the actual emissions from the production on<u>of</u> that material.</p>	<p>iii. in case actual emissions are used: the identification of the installation where the input material has been produced and the actual emissions from the production on that material.</p>
<p>(l) the verification opinion statement;</p>	<p>(l) the verification opinion statement; <u>(l) the verifier's statement confirming that he or she finds with reasonable assurance that the report is free of material misstatements and of material non-conformities regarding the calculation rules of Annex III;</u></p>	<p>(l) the verification opinion statement;</p>
<p>(m) information on material misstatements found and not corrected, where applicable;</p>	<p>(m) information on material misstatements found and not corrected, where applicable;</p>	<p>(m) information on material misstatements found and not corrected, where applicable;</p>
<p>(n) information of non-conformities with calculation rules set out in Annex III, where applicable.</p>	<p>(n) information of <u>material</u> non-conformities with calculation rules set out in Annex III, where applicable <u>found and corrected.</u></p>	<p>(n) information of non-conformities with calculation rules set out in Annex III, where applicable.</p>

ANNEX IIIA SUGGESTED BY THE EP:

Annex IIIa

Methodology for calculating the reduction of CBAM certificates due to free allocation under EU ETS

*Number of certificates
Obligation
adjustment*

Price of certificates

and

*Actual emissions of
the installation
producing imported
product (actual
tonnes of CO2 per*

*Emissions
covered by free
allocation in the
EU for the
relevant product
(tonnes of CO2
per tonne of
product*

*Total
tonnes of
imported
product*

*Average
weekly
price of the
EU ETS*

=

CBAM Obligation

*Obligation paid
in exporting
country on the
basis of
equivalent
carbon price
applied in that
country*

-

Adjustment

=