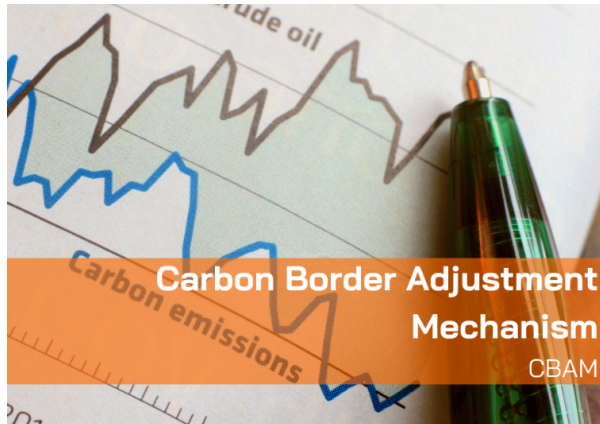


Carbon Border Adjustment Mechanism (CBAM)



What Is the Carbon Border Adjustment Mechanism (CBAM)?

The **Carbon Border Adjustment Mechanism (CBAM)** is a new regulation introduced by the European Union (EU) to put a fair price on the [carbon emissions](#) emitted during the production of goods entering the EU. It aims to prevent 'carbon leakage,' a phenomenon where companies evade strict EU climate policies by relocating production to countries with laxer legislation, leading to increased imports of carbon-intensive products.

How Does the CBAM Work?

The **CBAM** operates as a system of certificates that declare a price on the carbon emissions of imported products. National authorities in each EU country authorize registrations in their CBAM system, including verification, review, and declaration processes. They also sell **CBAM certificates** to importers, with prices calculated based on the average weekly auction price of EU Emissions Trading System (ETS) allowances, expressed in **€/tonne of CO emitted**.

This system ensures that the carbon price of imports is equivalent to the carbon price of domestic production, aligning with EU climate targets and United Nations rules.

Who Is Affected by the CBAM?

The **CBAM** primarily applies to imports of carbon-intensive materials, including:

- Cement



- Iron and steel
- Aluminium
- Fertilisers
- Electricity
- Hydrogen

When Will the Carbon Border Adjustment Mechanism (CBAM) Enter into Force?

From **1 October 2024** to **31 December 2024**, the **CBAM regulation** will be applied on a transitional and gradual basis. During this period, companies can choose between three modes of quarterly reporting:

- **Full notification under the new methodology (EU method)**
- **Reporting based on equivalent national systems in third countries**
- **Notification based on reference values**

A platform for deferred reporting is available for those unable to report before 31 January due to technical reasons.

From **1 January 2025**, reporting will only be possible according to the mandatory **EU method**.

On **1 January 2026**, the permanent system enters into force. From that date, importers under the CBAM product scope will be required to:

- **Receive authorizations as a CBAM declarant**
- **Purchase CBAM certificates** to cover the CO emissions generated in the manufacture of the goods they import
- **Declare the quantity of imported CBAM goods** (including embodied CO emissions) by **31 May** of the year following the import
- **Undergo an annual verification** by a third-party entity (such as Applus+ Certification)

Why Choose Applus+ Certification for CBAM Verification?

Applus+ Certification is accredited and has extensive experience in verifying emissions under the **CBAM framework**. Since 2006, we have been accredited verifiers for the Emissions Trading Scheme and a **Designated Operational Entity (DOE)** recognised by the United Nations for validating and verifying [Clean Development Mechanism \(CDM\) projects and programs](#). Our dedicated team helps businesses navigate CBAM compliance smoothly and effectively, supporting you with:



- **Verification of Implicit Emissions:** We ensure accurate verification of the CO emissions embedded in your imported goods, helping you meet all CBAM requirements.
- **[Verification of Carbon Footprints:](#)** Our services cover comprehensive carbon footprint assessments at both national and international levels, showcasing your commitment to sustainability.
- **Advanced Carbon Tracking Tools:** We offer access to our cutting-edge carbon footprint calculation software, enabling the tracking and monitoring of emissions across your entire supply chain.

By partnering with Applus+ Certification you benefit from our expertise, state-of-the-art tools, and commitment to environmental responsibility, ensuring your business stays compliant while promoting sustainability.