

CBAM Compliance

A guide from PwC Greece that provides an overview of CBAM and offers insights on key areas of focus and compliance with the new measure

2023



Table of contents

Introduction	3
→ What is CBAM?	
CBAM Overview	4
→ CBAM Scope	
→ CBAM Phases	
CBAM Transitional Period	5
→ CBAM reporting at a glance	
→ Preparation for the transitional period	
Penalties	6
→ Penalties for non-compliance	
Your CBAM contacts in PwC Greece	7



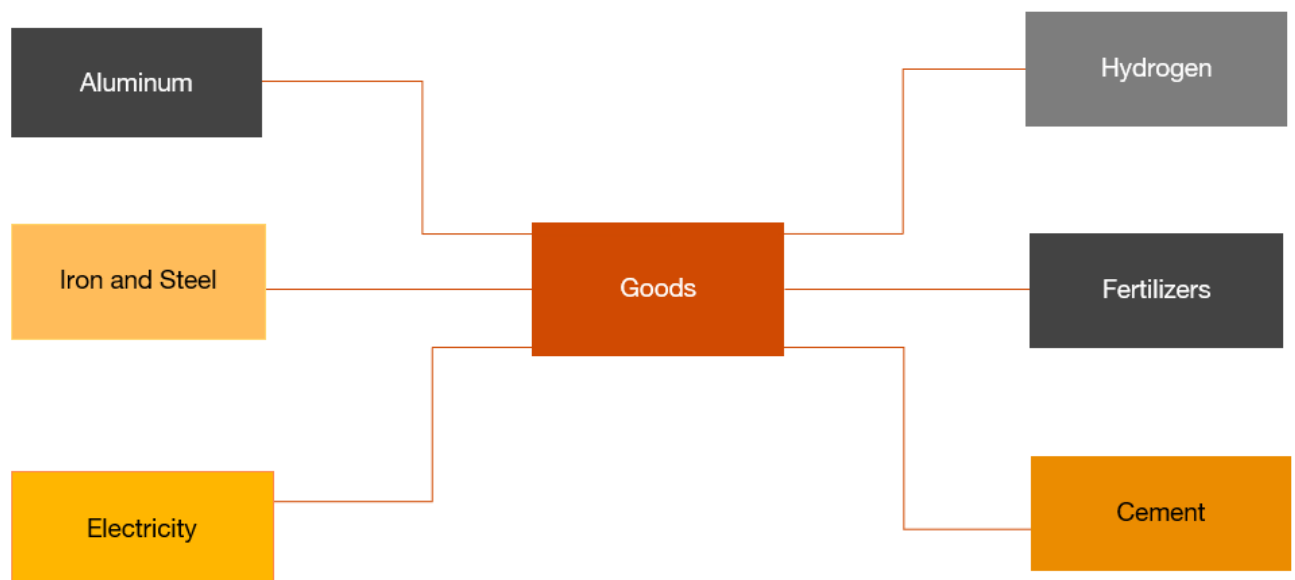
Introduction

What is CBAM

The European Union (EU) has introduced a new measure on import of certain carbon-intensive goods, aiming to enhance its climate neutrality objectives. The new measure, called **Carbon Border Adjustment Mechanism (CBAM)**, has entered its transitional phase, during which importers will only have reporting obligations, at October 1st, 2023 and, as of 2026, it will eventually take the form of a "carbon tax" on import.

CBAM will apply to goods from many sectors, highly exposed to international trade.

Impacted Goods



CBAM Overview

CBAM Scope

Triggering points

- Import of specific categories of goods* originating from third countries & territories (exemptions apply)
- CBAM may also apply to processed products, under conditions

*Goods with a value not exceeding Euro 150 or intended for military purposes fall outside CBAM's scope

CBAM Phases

1st October 2023

CBAM transitional period

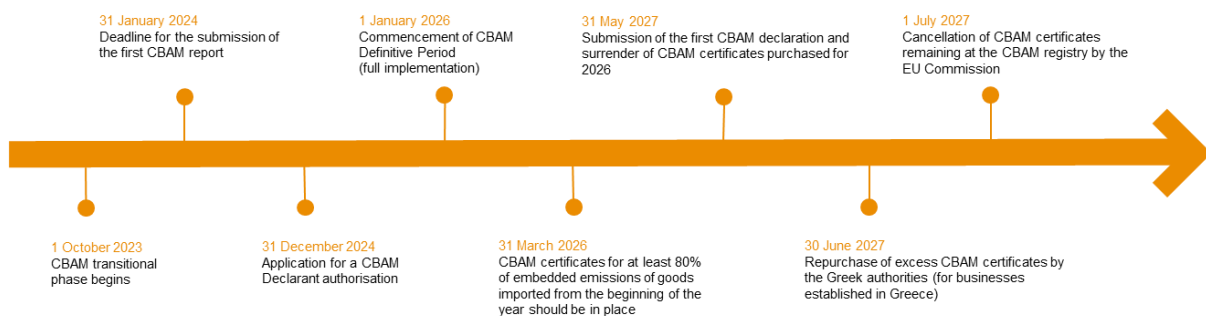
- Only **reporting obligations** through a CBAM Transitional Registry
- **Quarterly submission of CBAM reports** with information including embedded greenhouse gas (GHG) emissions arising from the production of specific types of imported goods originating in third countries and territories

1st January 2026

CBAM definitive period

- Requirement for **CBAM Declarant authorisation**
- Requirement to **purchase CBAM certificates** corresponding to the embedded emissions in the imported goods from a common central platform
- **Annual submission of annual CBAM declarations & surrender of CBAM certificates** for CBAM goods imported during the preceding year

Timeline

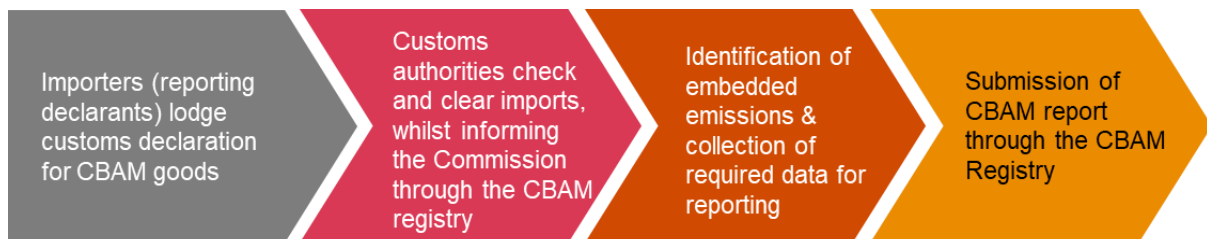


CBAM Transitional Period

CBAM reporting at a glance

Indicative contents of quarterly CBAM reports:	Main challenges
<ul style="list-style-type: none"> → Total quantity of CBAM goods → Embedded emissions → Indirect emissions (where required) → Carbon price for embedded emissions in the country of origin 	<ul style="list-style-type: none"> → Calculation of the emissions → Collection of data to be reported

Steps of the process for CBAM reporting:



Preparation for the transitional period

Impact assessment
<ul style="list-style-type: none"> → Identify goods to be impacted → Identify origin of impacted goods
Establish processes to:
<ul style="list-style-type: none"> → Identify embedded emissions to be reported → Get access to information on the carbon price of embedded emissions of CBAM goods in the country of origin → Ensure proper and timely reporting

Penalties

Penalties for non-compliance

Applicable in cases where:

- The reporting declarant has not taken the necessary steps to comply with the obligation to submit a CBAM report.
- CBAM report is incorrect or incomplete.

Penalties charged during the transition period (2023):

- Amount ranges between 10 and 50 EUR per tonne of unreported emissions
- Increases in accordance with the European Index of consumer prices

Penalties charged after the transition period (2026):

- The amount will be substantially higher



Your CBAM contacts in PwC Greece

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