

Customs

Flash

October 2023

On **1 October 2023**, a new European Union (EU) measure called “Carbon Border Adjustment Mechanism” (CBAM) entered into force. CBAM relates to the import of certain carbon-intensive goods, namely aluminium, iron and steel, electricity, hydrogen, fertilisers and cement, as well as certain downstream products (e.g. bolts, screws).

The implementation of CBAM will take place in 2 phases: A **transitional phase** starting on 1 October 2023, during which importers will only have reporting obligations, while from 2026 the CBAM is expected to take the form of a "carbon tax" on imports.

Obligations during the transitional period

During the transitional period, businesses will be required to submit a CBAM report on a quarterly basis. The report will contain a set of information including among others:

- Total quantity of CBAM goods
- Embedded emissions
- Indirect emissions (where required)
- Carbon price for embedded emissions in the country of origin

The first CBAM report should be submitted by the end of January 2024.

What does CBAM mean for businesses?

Importers should start preparing for their new obligations under CBAM by identifying the impacted products and collecting the necessary information for reporting.

It is noted that non-compliance with CBAM reporting obligations can lead to penalties

Let's talk

For a more in depth discussion on the above, please contact:



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This information is intended only as a general update for interested persons and should not be used as a basis for decision-making. For further details please contact PwC: 260, Kifissias Avenue 15232 Halandri tel. +30 210 6874400
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