

Welcome to the CBAM info session on the definitive phase

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Summary

- CBAM transitional phase
- Towards the definitive phase – authorization process
 - First Q&A
- CBAM O3CI module
 - Second Q&A
- CBAM Definitive phase – What to expect
- CBAM Simplification Proposal
 - Last Q&A



CBAM Transitional Phase

- Imports that correspond to the 3 criteria
 - Country of origin outside the EEA
 - Value above 150€
 - CN code referenced in the Annex of Regulation 2023/956 (<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R0956&qid=1705912747776>).
- Transitional period (2023-2025)
 - Collect data on emissions from imports
 - Familiarization with the system
- Definitive period (2026 and beyond)



CBAM - certified authorization (1/7)

- Necessary to import CBAM goods from 2026 onwards
- Can be obtained on the AMM (Authorization management module)
 - Linked to the CBAM Transitional Registry for access
- Access only allowed to importers of CBAM goods and indirect customs representatives
 - Third party actors can ask for an authorization on behalf of the declarant, via delegation
 - Provisions for third party actors to be specified later
- Applications can be lodged immediately
 - A written guide can be found on the LU CBAM website:
<https://environnement.public.lu/fr/emweltprozeduren/Autorisations/cbam.html>



- Electronic standardized application for all MS
- One single application per EORI
- Information requested: legal compliance and financial and operational capacity
- NCA criteria verification and related assessment - Consultation procedures (26 MS + EC)
- Basis for the definitive registry



- Required

- Name, e-mail address and telephone number of the person making the request.
 - This e-mail will receive notifications from the AMM.
- Main economic activity.
- Types, quantities and values of goods to be imported.
- Certification by the tax authority where the applicant is established that the applicant is not the subject of an outstanding recovery order for national tax debts. In Luxembourg, this document must be requested by the three tax authorities:
 - Administration des douanes et accises (ADA).
 - ☐ E-mail to caisse.centrale@do.etat.lu.
 - ☐ Request a “CBAM tax certificate”.
 - Administration de l’enregistrement, des domaines et de la TVA (AED).
 - ☐ Details to be shared later.
 - Administration des contributions directes (ACD).
 - ☐ E-mail to certificat.MACFautorise@co.etat.lu.
 - ☐ Request a “CBAM tax certificate”.



CBAM – certified autorisation (4/7)

- A declaration of honor in which the applicant certifies that he or she has not been involved in serious or repeated breaches of customs legislation, tax regulations or the rules on market abuse during the five years preceding the year of application, including the fact that he or she has not committed any serious criminal offences related to his or her business activity.
 - Simply tick a box on the registry.
- Financial and operational details.
 - For the three last years (in €) from the financial report.
 - Net profit/loss.
 - Turnover.
 - Current assets.
 - Current liabilities.
 - Number of persons dedicated to CBAM reporting and controls.
 - National business registration number (RCS).
 - AEO status (if available).
- A guarantee if the applicant has been **established for less than 2 years in Luxembourg**. If at the moment of applying for the authorization, the applicant has been established for longer than 2 years, no guarantee is needed.

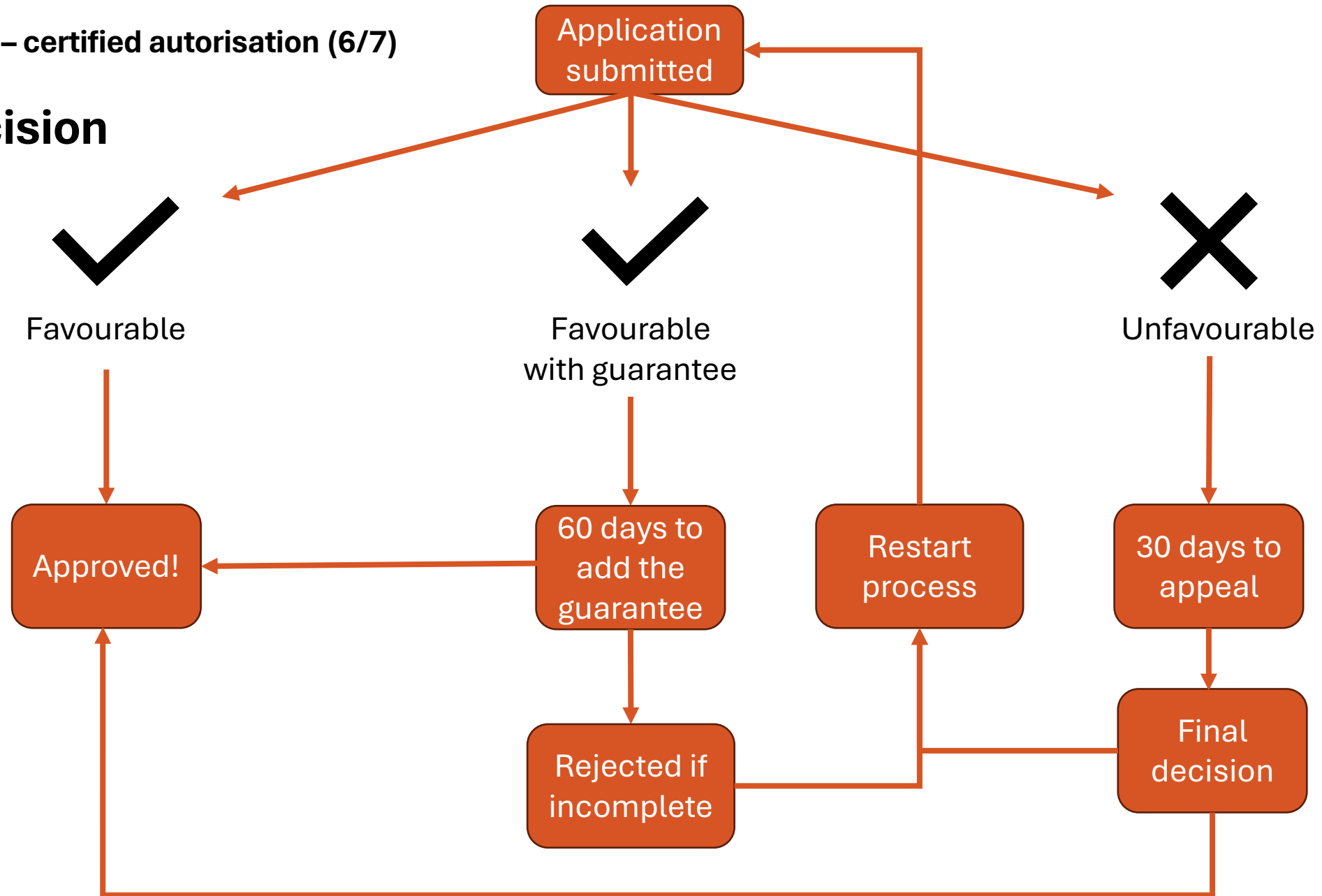


- Guarantee details (more details in the guide)
 - A first demand guarantee
 - Produced by a European bank (preferably LU)
 - Authorized, signed, dated and written in EN, FR or DE
 - Information on the applicant
 - Information on the guarantor
 - Information on the beneficiary
 - In the name of the State of Luxembourg
 - Only to be retrieved in the context of CBAM, if the applicant fails to surrender CBAM allowances until after 2 years of the creation of the guarantee
 - Calculated amount indicated by the NCA – based on a standardized formula depending on the year of submission

$$\text{Net mass} * \text{Emission factor} * \text{ETS allowance price} * \text{CBAM factor}$$



NCA decision



Presentation on the AMM

Access link: <https://cbam.ec.europa.eu/authorised-declarant/#/>



First Q&A



O3CI Module (1/2)

- Registry access for operators
- Quick-sharing information with importers
- Option to be semi-anonymous
- <https://cbam.ec.europa.eu/o3cinstallation>



1 - Presentation of operator access

https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en#cbam-registry-access-for-non-eu-installation-operators

2 - How to access information



Second Q&A



CBAM Definitive phase – What to expect (1/5)

- Starts as of 1st January 2026 - set to last indefinitely
- Requires an authorization to import.
 - Use the CBAM number of the importer or indirect customs representative to define who has the burden of declaration.
- Information tracking.
 - Report due 2027, based on imports in 2026.
 - Importer / customs representative / third party
 - NCA
 - Commission



- Financial aspect
 - Surrendering of CBAM allowances in 2027, based on imports during 2026
 - CBAM allowance price is the same as an ETS allowance
 - Obligation to have purchased at least 80% of allowances at the end of each quarter*
 - At the beginning of each week, CBAM price defined based on ETS average price of the previous week.
 - Allowances bought in excess can be bought back, up to a third of what was bought*
 - Non-fungible with ETS allowances
 - No reselling to other parties – only to the Commission
 - Cancellation of allowances bought the previous year after surrendering



Price of allowances that need to be surrendered

- *Net mass * Emission factor * ETS allowance price * CBAM factor*
 - Net mass of all imported goods in tonnes.
 - Each CN code has an emission factor which can be indicated by the operator or is a default value: <https://taxation-customs.ec.europa.eu/system/files/2023-12/Default%20values%20transitional%20period.pdf>.
 - Those values are for the transitional period only.
 - At the end of 2025, the Commission will publish default values for the definitive phase. They will be higher than the average of a country, to support the use of actual values.
 - ETS allowance price: <https://sandbag.be/carbon-price-viewer/>.
 - CBAM factor

Year	2026	2027	2028	2029	2030	2031	2032	2033	2034
CBAM factor (%)	2.5	5	10	22.5	48.5	61	73.5	86	100

- Carbon price paid – Any carbon tax paid in the country of origin by the operator can be used to reduce the total price of allowance by a ratio of 1:1 in €.



Example

An importer plans to import 500 tonnes of CN 72071116 in 2026. As his supplier has not indicated an emission factor, he must use the default values. For 72071116, the default value is 2.21. The current price of an ETS allowance is €82. With the assumption that the price stays the same during the years, the following amount of allowances needs to be surrendered.

Year	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total allowance(€)	2265	4530	9061	20387	43945	55272	66598	77924	90610



CBAM Definitive phase – What to expect (5/5)

Q1
2025

IR : Conditions and
procedures related
to the status of
authorised CBAM
declarants

Q2
2025

IR : Conditions for
CBAM application to
goods brought to the
EEZ

Q3
2025

IR : Calculation of
emissions and CBAM
declarations

IR : Accreditation of
verifiers and
verification principles

DR : Conditions for
accreditation and
verifiers

DR : Conditions for
sale and repurchase
of CBAM certificates

Q4
2025

IR : Carbon price and
price certificates

IR : Adjustment for
free allocation

IR : Customs
communication and
information on
imports



Simplification proposal (1/3)

- New de minimis rule
 - Mass based threshold of 50 tons for the cumulative imports of cement, iron, steel, aluminium and fertilisers, calculated over a complete year.
 - No need for an application below this threshold
 - If threshold is exceeded without an authorization, penalties are foreseen
 - Threshold adapted every year to always include 99% of emissions
- Lessened administrative burden
 - Easier access to the registry for third parties to help submit a report
 - No verification report is needed when using default values
 - Easier data collection - Downstream production steps outside the ETS scope excluded from the calculation of embedded emissions of those goods (for some aluminium and steel goods)



Simplification proposal (2/3)

- Amended deadlines
 - CBAM declaration submission and CBAM certificate surrendering (September)
 - CBAM certificate repurchase (September)
 - CBAM certificate cancellation (October)
- Exclusion of non-calcinated clay
- Default carbon price :
 - Average yearly price (€/t_{CO2e}) per country – established by EC, if possible
 - Actual carbon price remains possible



Simplification proposal (3/3)

- CBAM certificates changes
 - 80% per quarter changed to 50% per quarter
 - Not during the first year
 - First time buying of certificates in February 2027
 - Two options available:
 - Use of default values and deducting mark-up and CBAM factor
 - Number of CBAM certificates surrendered the previous year for the same CBAM goods



Conclusion

- Important to track imports
- Need to predict imports and the monetary aspect of CBAM
- CBAM is not delayed but modified to reduce administrative burden

- CBAM Webinar before next year
 - Will include an Omnibus update
 - Update on the report on the transitional phase



Final Q&A



Contact

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