



Administration
de l'environnement
Grand-Duché de Luxembourg

Carbon Border Adjustment Mechanism CBAM

17. Dezember 2025

USEE ETS/CBAM





Before we start

1. The official legal texts have not been published yet. They probably will be on the 22nd. Though we will talk about some of their content today.
2. We remade the website. The last pages are being updated as we speak. Though everything is in french, for now. After new year we will update the site and add English pages too.
3. The authorisation should be a main priority to get. We will be on standby to treat as many requests as possible but will work in reduced capacity. For the late requests that can't be treated in time, we will talk about a TARIC code that can be used temporarily to help you import.
4. Yesterday, the new legislative proposal was published to amend the CBAM and add anti-circumvention practices, extended scopes and downstream products. We haven't had the time to study it and won't be talking about it.



1. Objective of CBAM
2. CBAM in the transition phase
3. CBAM in the definitive period
4. Customs declaration
5. CBAM Registry
6. CBAM price
7. Monitoring
8. Verification
9. Important links

Objective of CBAM



Objective of CBAM



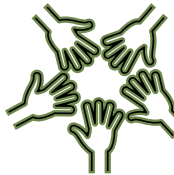
Encourage Global Climate Action



Support the EU Green Deal Goals



Prevent Carbon Leakage



Promote Fair Competition



Ensure Transparency in Carbon Pricing



CBAM goods

Iron & Steel

Aluminium

Hydrogen

Fertilizers

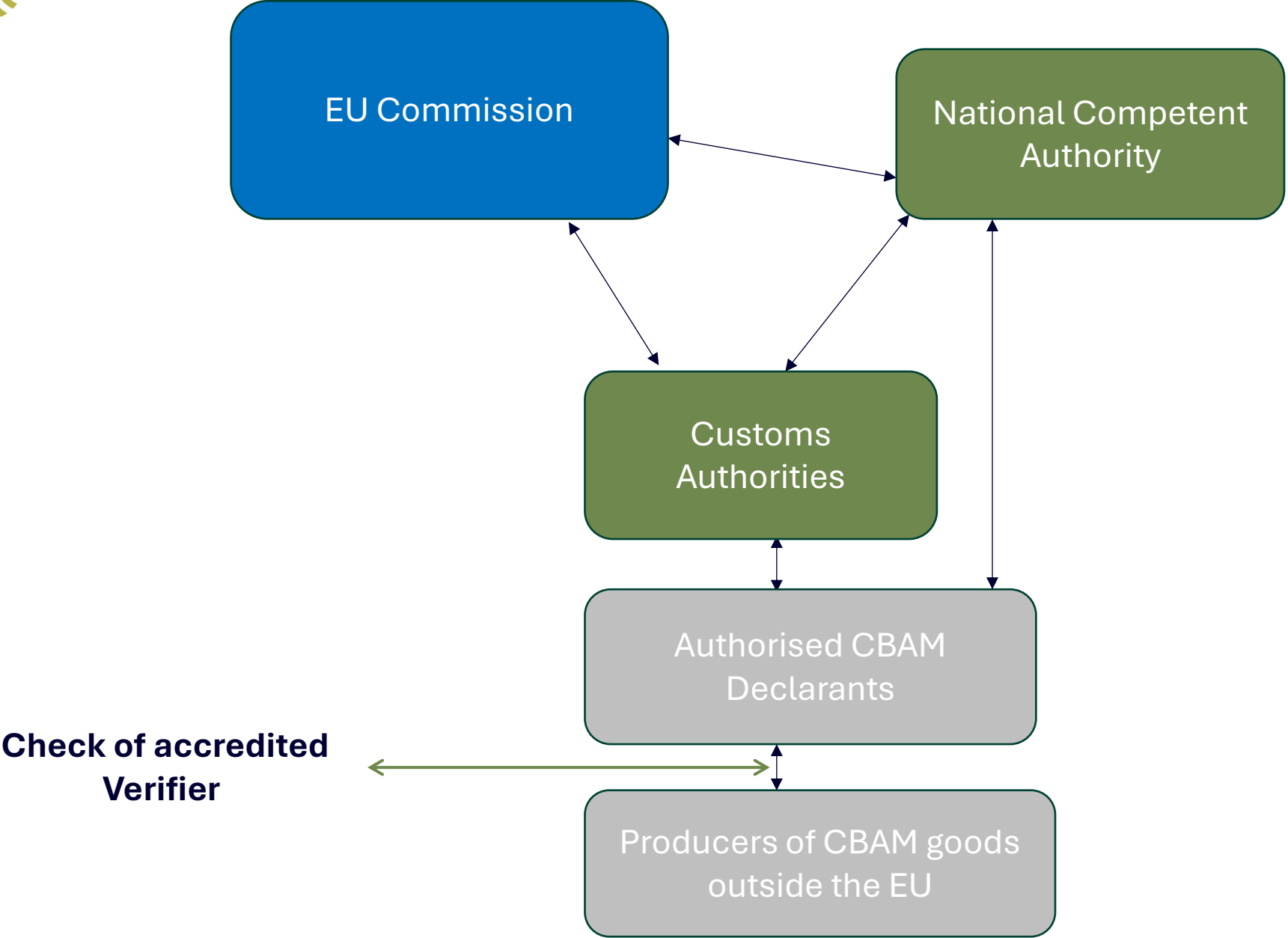
Cement

Electricity

Verify the CN codes of your goods to see if they are covered by the CBAM Regulation (EU) 2023/956 Annex I.



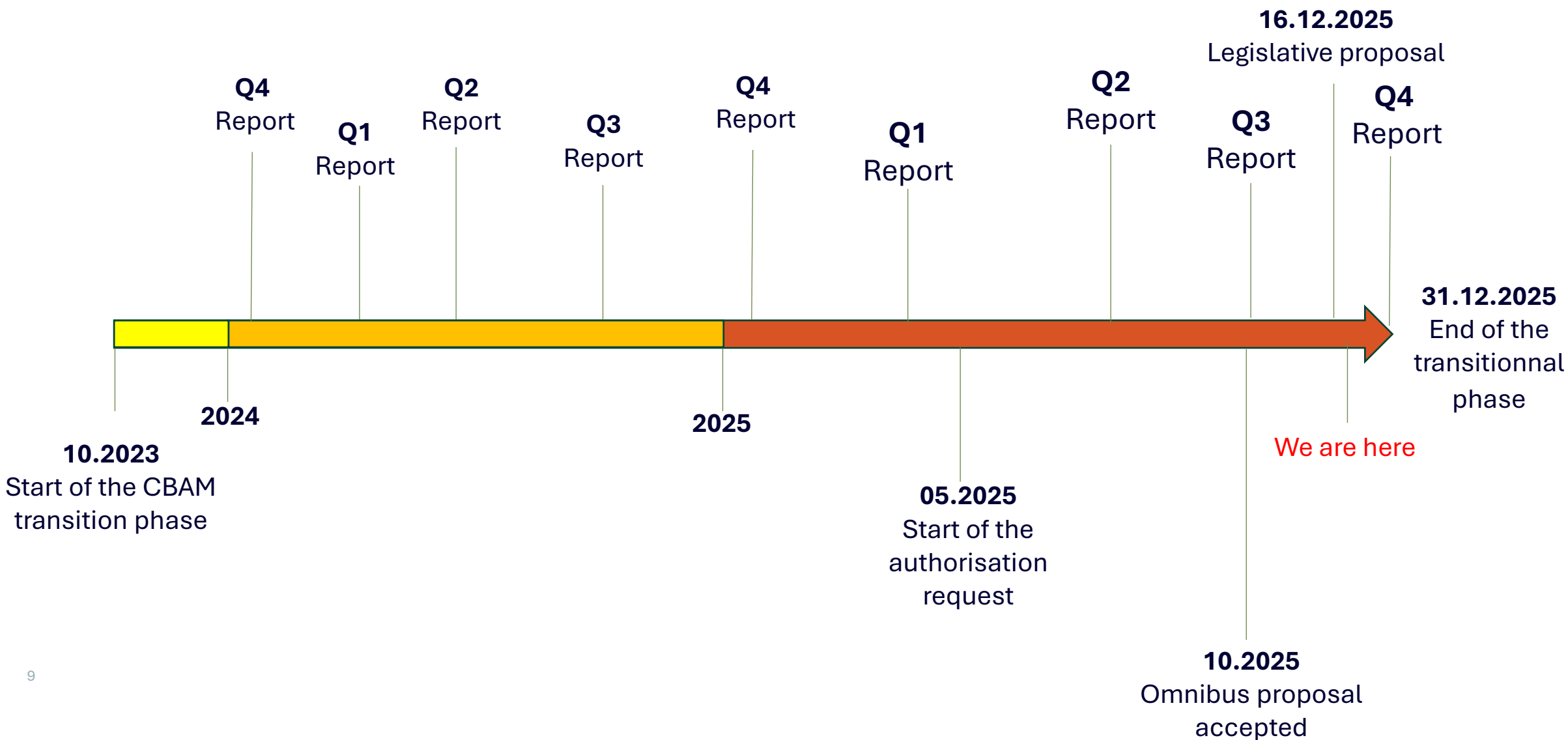
Overview of the different actors



CBAM in the transition phase



Until 31. December 2025



CBAM in the definitive period



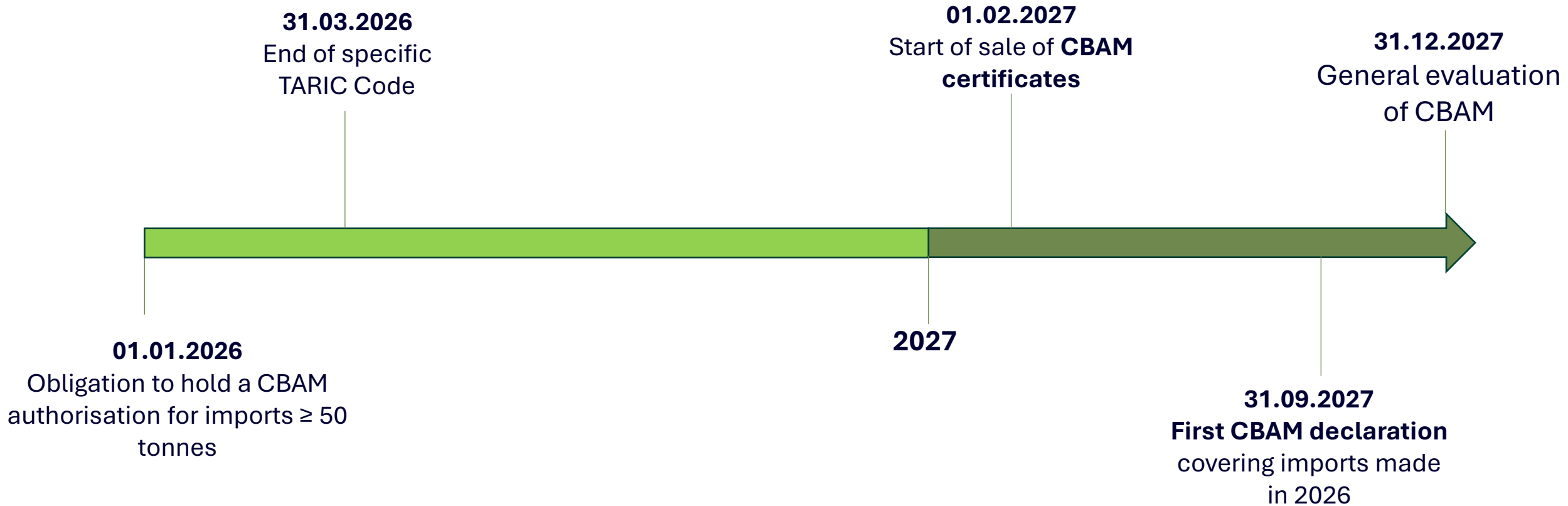
- Importers or declarant must be **authorised** to import CBAM goods.
- The cumulative threshold for CBAM goods is **≥ 50 tonnes** and is calculated annually.
 - No need to ask for an authorisation, submit reports etc. if you are below this threshold during all of 2026.
 - We track the imports.
- Emissions embedded in the production of goods imported in 2026 will need to be compensated in 2027.

Authorisation

- Authorisation is required before importing. The minimum to do is to request it before 1st January 2026.
- You need to at least request access to the registry to submit your authorisation request.
- Find all the info on our website. We have guides on how to request:
 - Access: ([FR](#)) ([DE](#)) ([EN](#))
 - Authorisation: ([FR](#)) ([DE](#)) ([EN](#))
 - Guarantee needed if established for less than 2 years



From 1. January 2026



Webinars and bilateral workshops during the years

- Verification
- Annual report



Implementing Act (IA) / Delegated Act (DA)

Status

IA: CBAM registry

In amendment procedure

IA: conditions for authorisation of CBAM declarants

In amendment procedure

IA: conditions for CBAM application to goods brought to EEZ

adopted

IA: methodology for the calculation of emissions embedded in goods

In adoption procedure

IA: default values and mark-up

In adoption procedure

IA: accreditation of verifiers and verification principles

In adoption procedure

DA: conditions for accreditation and verifiers

In adoption procedure

DA: conditions for sale and re-purchase of CBAM certificates

in progress

IA: price of certificates

In adoption procedure

IA: adjustment for free allocation

In adoption procedure

IA: customs communication and information on imports

In adoption procedure

13 IA: CBAM declarations

In adoption procedure

IA: carbon price



in progress





Customs declaration



- First change is the customs declaration.
- When indicating a CBAM CN code and a country of origin outside the EEA.
 - You have to add manually a supporting TARIC document type code and an Account number.
 - If you indicate a country of origin like e.g. EU or NO, then you don't need TARIC code.
 - If you fulfill the CBAM criteria but do not add the TARIC code and reference number, you will get an error panel, indicating that you must provide it.

Additional references 1  

TYPE *	REFERENCE NUMBER *	ACTIONS
Y128 - CBAM account number ▼	CBAM-XX-YYYY-AAANNNNNNNNNNN	 

- Please don't add a second line for codes. It is a bug that will be fixed by 1st February 2026.



TARIC Codes

Y128

The importer **has an authorisation** to import CBAM goods

Y238

The importer **has not yet** obtained authorisation but has already applied for it. The 50 tonne threshold will be exceeded

Y137

The importer **does not have** an authorisation, but he imports **less than 50 t** per year

EORI number & CBAM authorisation number needed

Indicate “NA” in the authorisation field

Y134 - The importer imports from Büsingen, Heligoland and Livigno
(Y237) – Is currently in the system, but not exactly known when to use it.



➤ Y238

- Importer does not yet have a CBAM authorisation but submitted application before the import declaration.
- You need to request access to the registry imperatively or else you can not submit an authorisation request by 31. December and make use of this code immediately.
- Instead of using an authorisation number, you use the applicant number.

➤ Y128

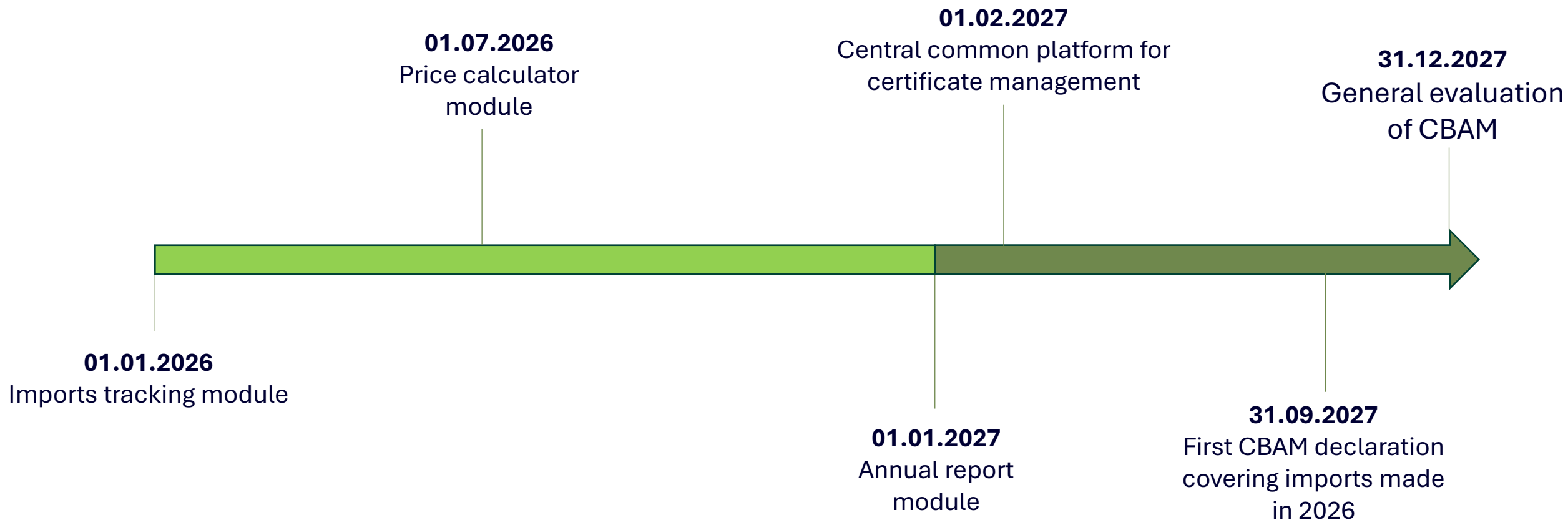
- Either the authorisation number of the importer or the indirect customs representative.
 - Which ever number is being used has the responsibility to submit the CBAM certificates and the report for these imports .
 - By default, the responsibility lies with the importer.
 - The sole exception is if the importer is established outside the EU. Then indirect customs representative is liable for CBAM.



CBAM Registry



Registry Timeline



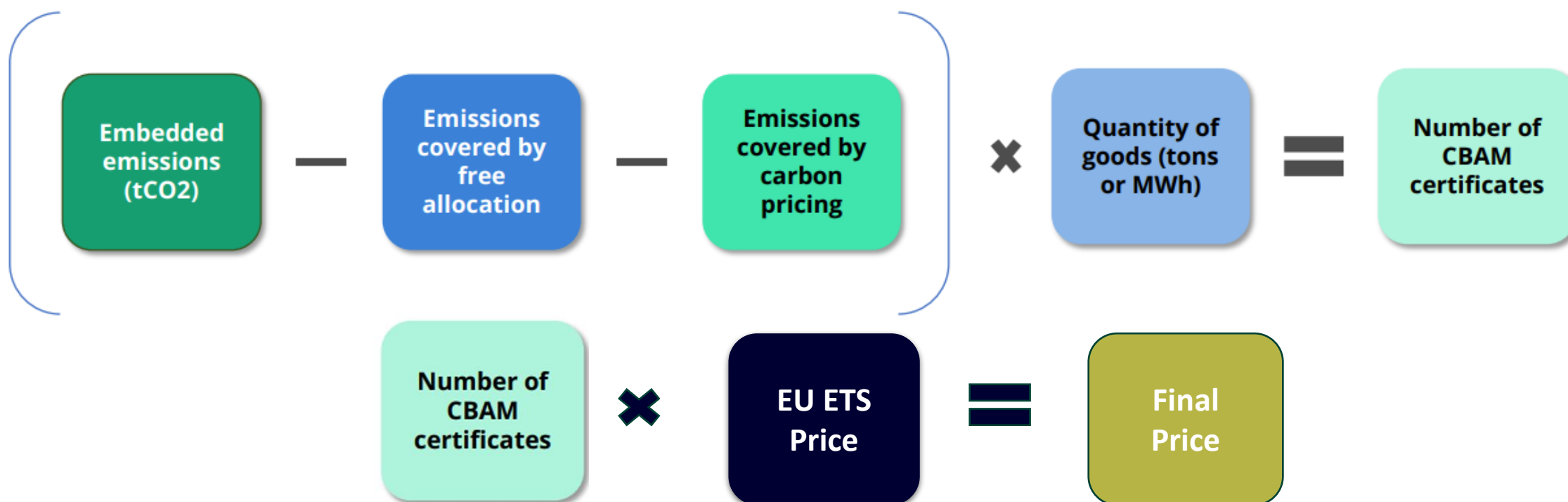
- With the O3CI module for producers being live already.
- Modules planned to reduce administrative burden and centralize information.



CBAM Price



- 1 tonne CO₂ = 1 CBAM certificate
- Quantity of imported goods based on customs declarations





$$\text{Embedded emissions (tCO}_2\text{)} = \text{DEFAULT VALUES per good and country of origin (tCO}_2\text{/t of MWh)} \times (1 + \text{MARK UP})$$



Actual data

Emissions measured by producers.

Verified emissions.

Default values

Provided by the Commission.

To be used when no verified actual data can be provided.



Default values

- Calculated based transitional period data and publicly available information.
- If there is no reliable data from a specific country, the average emission of the 10 countries with the highest emission intensities will be used.

Country								
CN-Code	Description	Default value (direct emissions)	Default value (indirect emissions)	Default value (Total)	2026 Default value (incl. Mark-up)	2027 Default value (incl. Mark-up)	2028 Default Value (incl. Mark-up)	Underlying production route determining CBAM BM
Aluminium					10 % Mark-up	20% Mark-up	30% Mark-up	
76161000	Nails, Tacks,	2.49	N/A	2.49	2.739	2.988	3.237	(K)



Additional slide compared to webinar

- The default values have been set according to the most commonly used production method in a country, and this method must also be chosen for the benchmarks. The benchmark indicator to be used by country can be found in the column just behind it. ‘Underlying production route determining CBAM Benchmark’ is the last column for default values.
- Example:

For Azerbaijan, the benchmark to be used is (E) for all codes beginning with 7205, so 0.027 should be used for the benchmark. For China, the benchmark to be used is (C), so 1.288 should be used.

72051000	FALSE	Granules, of pig iron, spiegeleisen, iron or steel (excl. granules of ferro-alloys, turnings and filings of iron or steel, certain small calibre items, defective balls for ball-bearings)	1,288 (C)
	FALSE		0,424 (D)
	FALSE		0,027 (E)

(C) ... Carbon Steel based on BF/BOF
(D)... Carbon Steel based on DRI/EAF
(E)... Carbon Steel based on Scrap/EAF

Azerbaijan

7205	Granules and powders of pig iron, spiegeleisen, iron or steel (excl. granules and powders of ferro-alloys, turnings and filings of iron or steel, radio active iron powders "isotopes" and certain low calibre, substandard balls for ball-bearings)	1.5	N/A	1.5	1.65	1.8	1.95	(E)
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China

7205	Granules and powders of pig iron, spiegeleisen, iron or steel (excl. granules and powders of ferro-alloys, turnings and filings of iron or steel, radio active iron powders "isotopes" and certain low calibre, substandard balls for ball-bearings)	2.802	N/A	2.8	3.0822	3.3624	3.6426	(C)
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- Mark-Ups are included in the default values.

Mark-Up values		
2026	10 %	Aluminium, Cement, Iron & Steel, Hydrogen
2027	20 %	
2028	30 %	

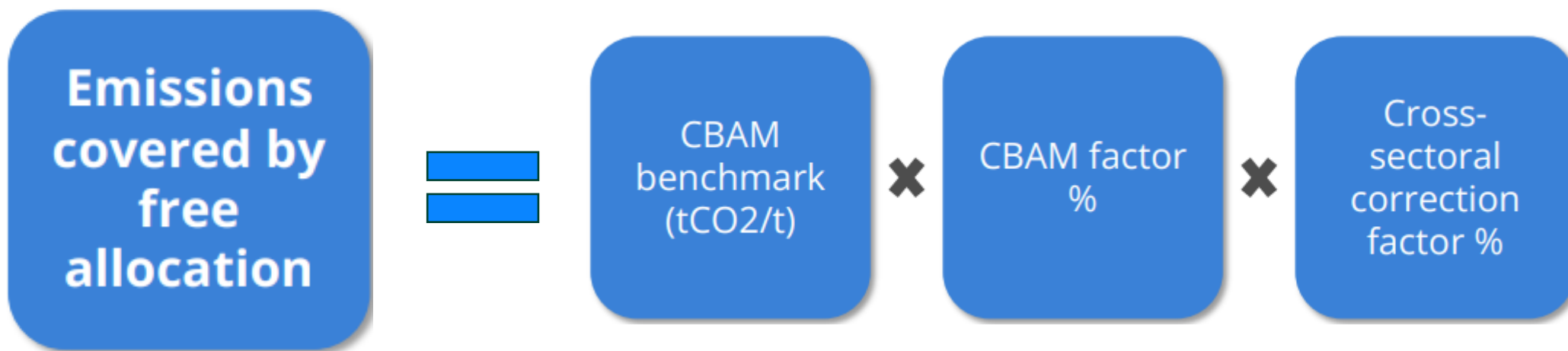
- **No** Mark-Up on electricity imported in the EU.

Exception:

- Fertilizers will have a Mark-Up Value of **1%** until 2028.



Calculation of CBAM certificates





- Benchmarks reflected the average performance of the top 10 % EU Installations
- The CBAM benchmarks covering 2026–2030 are based on the EU ETS benchmarks, scheduled for publication in early 2026
- This alignment of both benchmarks intended to guarantee equal and fair treatment for imports
- These revised CBAM benchmarks, based on EU ETS benchmarks will be then applied from the 1. January 2027.
- If evidence demonstrates that the CBAM benchmarks are too high or too low, they should be revised by the Commission and adapt



- Where more than one benchmark value is given for a specific CN code, the meaning of the indicators is as follows:

Meaning of the indicators (production route)	
(1)...Value is to be used for production years 2026-27	(F)...Low alloy Steel based on BF/BOF
(2)... Value is to be used for production years 2028-30	(G)...Low alloy Steel based on DRI/EAF
(A)...grey clinker / cement	(H)...Low alloy Steel based on scrap/EAF
(B)...white clinker / cement	(J)...High alloy Steel (based on EAF)
(C) ...Carbon Steel based on BF/BOF	(K)...primary Aluminium
(D)...Carbon Steel based on DRI/EAF	(L)...secondary Aluminium
(E)...Carbon Steel based on Scrap/EAF	



Illustration of benchmarks

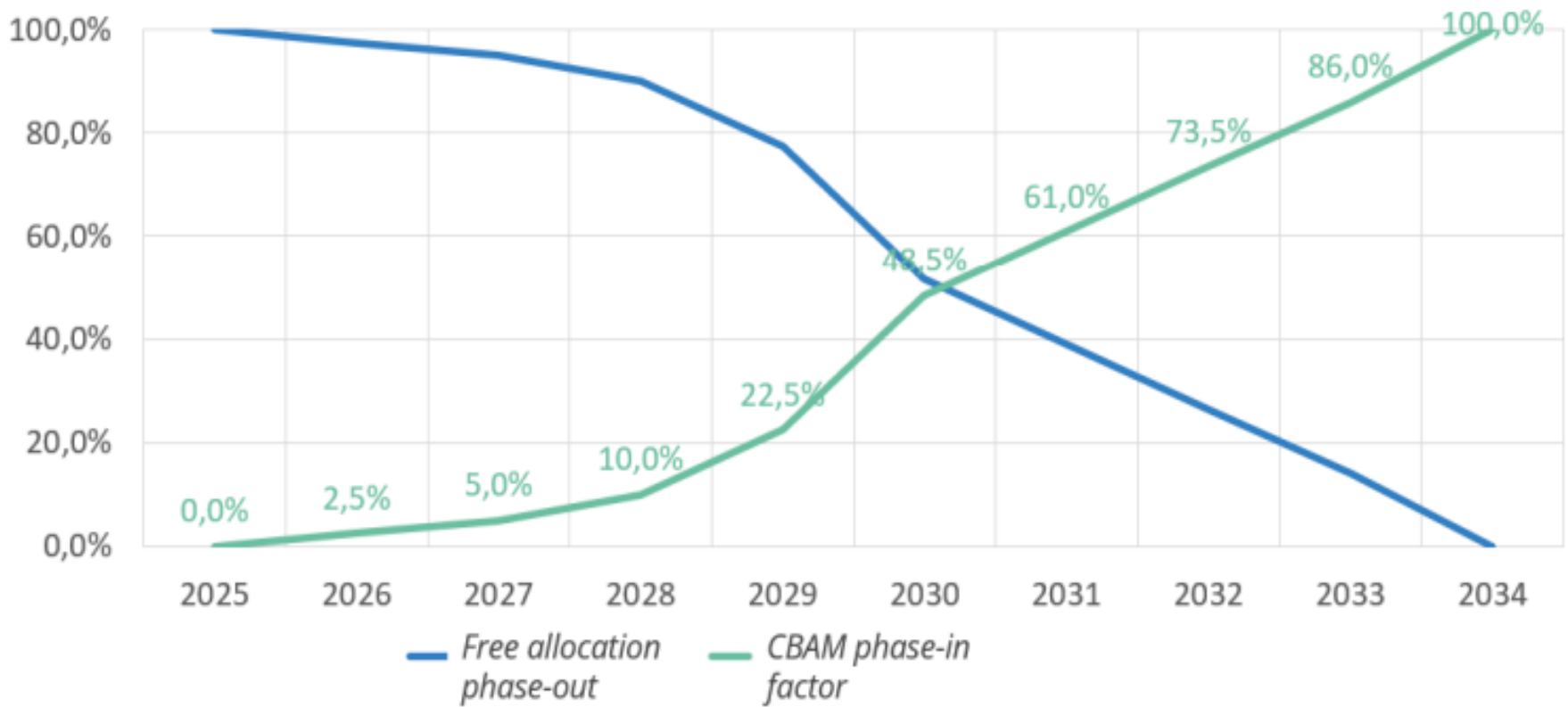
CN Code	Product description	Column A BMg* [tCO2e/t]	Column B BMg [tCO2e/t]
72024990	Ferro-chromium	1,142 (1) 1,106 (2)	1,142 (1) 1,106 (2)
72061000	Ingots, of iron and non-alloy...	0,150 (C) 0,027 (D) 0,027 (E)	1,288 (C) 0,424 (D) 0,027 (E)
72082500	Flat rolled products of iron ...	0,044	1,370 (C) 0,481 (D) 0,072 (E)

- Column A: Process related benchmark.
- Column B: Default CBAM Benchmarks (To be used).



CBAM Factor

- Article 10a of Directive 2003/87/EC
- Progressive phase-in 2026-2034



CBAM Factor	
2026	97,5 %
2027	95 %
2028	90 %
2029	77,5 %
2030	51,5 %
2031	39 %
2032	26,5 %
2033	14 %
2034	0 %
+	



Cross-sectoral correction factor

- CSCF is a mechanism that ensures the total amount of free allowances allocated to installations does not exceed the maximum allowed cap set by the EU related under the EU ETS.
- There is a maximum of free allowances for all sectors combined.
- CSCF is currently set to 1 (100%), meaning no reduction is applied because the total free allocation is within the allowed limit.



Carbon price in the country of origin

- Any carbon tax paid in a third country needs to be indicated on the annual report. Proof of payment from the supplier has to be supplied.
- The future implementing act on carbon price will include default carbon prices for countries/regions. These will be automatically applied to your final price.

**Emissions
covered by
carbon
pricing**



EU ETS Price

- CBAM certificate price is equivalent to the EU ETS Price.
- They cannot be interchanged and CBAM certificates can only be used to compensate CBAM import emissions.
- The price is based on the closing price of auctions of ETS allowances.
- **Central Common platform** (CCP) lets importers buy and submit CBAM certificates from the 1st of February 2027.
- At the time of writing, the price is 85€ per tonne of CO₂.

Calculation of CBAM



Number of
CBAM
certificates



EU ETS
Price



Final
Price



CBAM Price Timeline

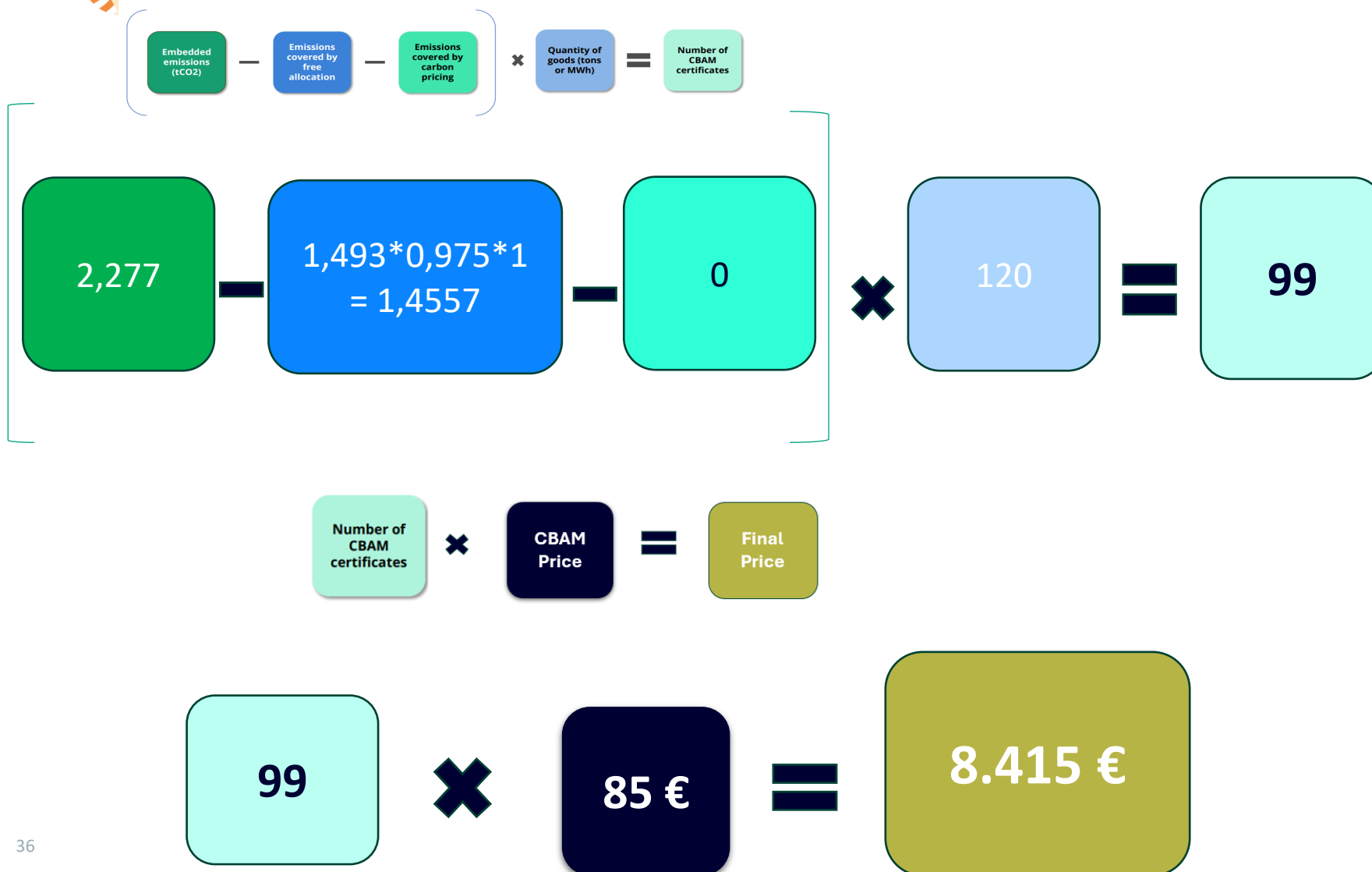
1 Certificate = 1 ton CO₂eq



Starting from 1st February, price is weekly and can be bought at any time.
Obligation to hold 50% of required certificates (based on default values) by the end of a quarter.



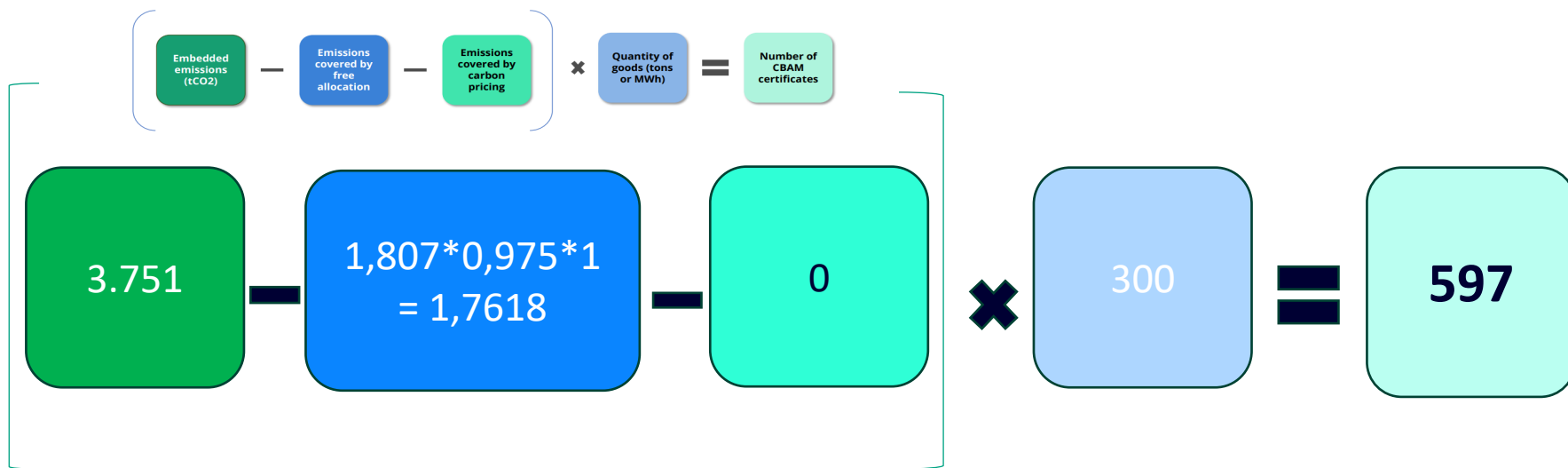
Practical example of calculation



Import	
Product description	Aluminium tube or pipe fittings
CN Code	76090000
Quantity imported	120 t
Origin	Indonesia
Embedded Benchmark	1,493 (K)
Embedded Emissions	2,277
CBAM Factor	97,5%
EU ETS Price	85 €
Emissions covered (Origin Country)	0 €



Practical example of calculation



Import	
Product description	Iron&Steel Bars and rods of high speed steel..
CN Code	72281050
Quantity imported	300 t
Origin	China
Embedded Benchmark	1,807 (F)
Embedded Emissions	3.751
CBAM Factor	97,5%
EU ETS Price	85 €
Emissions covered (Origin Country)	0 €



- We recommend using the calculator produced by the French authorities:
<https://www.ecologie.gouv.fr/politiques-publiques/mecanisme-dajustement-carbone-aux-frontieres-macf>



Monitoring



- Monitoring plan
 - Defining the boundaries of the installation and the different processes and good produced.
 - In English.
 - Provided by the Commission.
 - Basis for verification.
- Rules of good conduct and data collection.
 - Completeness, consistency, transparency, records, accuracy, data quality, cost effectiveness, continuous improvement etc.
- Use of standards (EN/ISO).
 - E.g. ISO 20181:2023 Stationary source emissions — Quality assurance of automated measuring systems.
- Monitoring is done over a year. After a year has elapsed, the monitored data is being verified, similarly to the ETS.



Verification



What is verification?

- Act of verifying the emissions produced during a year, of a clearly defined installation, by an accredited verifier.
- CBAM verifier must be accredited by an accreditation body (EU).
- The actual data used in the CBAM declaration must be checked and approved by the accredited verifier.
- Happens after a year has elapsed. An installation regroups all their data from the year to get it verified. Verification would happen after 1st January 2027 and before 31 September 2027.(In the EU ETS they happen around January, February of a given year).
- Site visits by the verifiers.
 - Can be waived when specific conditions have been met. Although frequent visits should be the intended norm.



- Accredited verifiers can be found on the website of Accreditation bodies.
- Missing implementing act of conditions to become accredited -> Adopted soon
 - Can't pronounce right now on how/if an entity established outside of the EU can be accredited. Text is still under discussion.
- Current uncertainty of verification.
 - Reduced mark-up for this reason
- We likely will produce webinars in the future that will be focused more on Monitoring and Verification. Many components still need to be detailed.
- Expect guidance documents from the Commission. Likely to be published soon.



Important Links



- <https://environnement.public.lu/fr/emweltprozeduren/Autorisations/cbam.html>
- https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en#latest-developments
- <https://www.ecologie.gouv.fr/politiques-publiques/mecanisme-dajustement-carbone-aux-frontieres-macf>
- <https://douanes.public.lu/fr/commerce-international/cbam.html>
- CBAM@aev.etat.lu
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Thank you for your attention



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