

OPERATIONALISING THE DEFINITIVE REGIME - CHANGES TO CBAM PROPOSED BY THE EUROPEAN COMMISSION

Factsheet

FACTS.

TAX
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INTRODUCTION

Accountancy Europe's has issued two factsheets in respect of the Carbon Border Adjustment Mechanism (CBAM).

Our [factsheet](#) on CBAM covers the initial Regulation. A second [factsheet](#) covers the revisions to the Regulation as part of the 2025 Omnibus package. The European Commission (EC) adopted these revisions on 29 September 2025 and [published them](#) in the Official Journal on 21 October..

This paper will focus on the proposed changes to CBAM issued by the European Commission on 17 December 2025.

These proposed changes consist of several main elements:

1. Implementing and Delegated Regulations and annexes to provide more detail on specific procedures under the CBAM Definitive Regime that commenced 1 January 2026 (see below).
2. A CBAM review report covering the CBAM transitional period from October 2023 to 31 December 2025 (see below).
3. A proposed Directive that greatly broadens the scope of downstream products that would be included in CBAM, as well as anti-circumvention measures (see below).
4. [CBAM compliance essentials for importers and representatives](#)

1. IMPLEMENTING ACTS

All relevant legislation can be found at [CBAM Legislation and Guidance - Taxation and Customs Union](#).

These implementing acts are now published in the EU Official Journal and so have entered into force. Many of the provisions in respect of these implementing acts came into effect from 1 January 2026, and the remainder came into effect on the third day following the day of publication in the Official Journal.

LIST OF IMPLEMENTING ACTS

- [Principles for verification of declared embedded emissions](#) **see point 1 below**
- [Methods of calculation of emissions embedded in goods](#) **see point 2 below**
- [Calculation and publication of the price of CBAM certificates](#) **see point 3 below**
- [Information communicated by customs authorities](#)
- [Calculation of the free allocation adjustment to the number of CBAM certificates to be surrendered](#) **see point 4 below**
- [The establishment of default values](#)
- [Conditions and procedures relating to the status of authorised CBAM declarants](#)
- [Amending and correcting CBAM registry provisions](#)
- [Granting accreditation and verification](#) **see point 5 below**

We provide a brief description below of the main points contained in those delegated acts that we feel will be of the most relevance to the accountancy profession and their clients. **The delegated acts contain many detailed provisions, and reference should be made to the legislative acts for the full details –**

particularly those relating to the authorities that administer and supervise CBAM, which are not covered in this document.

1. VERIFICATION PRINCIPLES IN RESPECT OF EMBEDDED EMISSIONS

This [Implementing Regulation](#) sets out principles for the verification of embedded emissions on imported goods that are calculated using actual values.

The [CBAM regulation](#) specifies that the verifier must make visits to relevant production installations except in certain circumstances. This regulation loosens the requirements. It states that in the first year of verification, a physical site visit should be required in all cases but in subsequent years site visits could be replaced by virtual site visits where certain conditions are met.

Effective date: 1 January 2026

Notable provisions include:

- Article 2: Verifiers may replace a physical site visit with a virtual visit where all the conditions in the following articles are met (special rules apply for installations that produce electricity (Article 2.2)):
 - Article 3: including that the verifier has carried out a physical site visit during the preceding reporting period, that the verifier has a sufficient understanding of the installation, that a risk analysis is undertaken, that remote assessment is feasible etc., or
 - Article 4: extraordinary circumstances occur that prevent a site visit, the decision to carry out a virtual site visit is supported by a risk analysis and that verifier has taken all steps to minimise risk and obtain reasonable assurance that the operator's emissions report will be free of material misstatement.
- Article 2: Verifiers must inform the operator of its decision not to conduct a physical site visit 'without delay'
- Article 5.1: When assessing misstatements on reported data in the reporting period subject to verification, the verifier shall, for each tonne of the relevant good (identified by its Combined Nomenclature (CN) code) apply the following materiality levels:
 - 5 % of the total specific embedded emissions
 - 5% of the total specific embedded free allocation
- Article 5.2: The verifier shall use expert judgement as to whether misstatements/ non-conformities, individually or aggregated, justified by their size and nature, are to be considered material, for:
 - misstatements, individually or when aggregated with other misstatements, which are below the materiality level pursuant to paragraph 1
 - parameters which are not referred to in paragraph 1
- Article 6: The verification report shall use the electronic template provided by the Commission via the CBAM Registry

2. CALCULATION OF EMBEDDED EMISSIONS

Based on the experience of the CBAM Transition that ended 31 December 2025, this [Implementing Regulation](#) adjusts the calculation methodology in order to:

- enhance the calculation of embedded emissions of goods

- decrease the risk of circumvention of CBAM obligations
- ensure that compliance with monitoring and calculation rules can be adequately verified, and
- maintain consistency with the EU ETS, while
- limit the administrative burden for all parties.

The entry into force of the provisions was the third day following publication in the Official Journal (Article 16).

Notable provisions include:

RULES RELATING TO USE OF ACTUAL VALUES TO CALCULATE EMBEDDED EMISSIONS (CHAPTER 2)

- Article 3: System boundaries shall be defined for aggregated goods categories (as detailed in Annex 1 of the CBAM Regulation) to quantify and calculate specific embedded emissions – including:
 - direct emissions
 - indirect emissions for goods not in Annex 2 of the CBAM Regulation, and
 - embedded emissions from any precursor
- Article 4.1: Operators must identify within the system boundaries of an installation the production process of goods to which the same functional unit applies. The functional unit is a quantity of goods to which the same CN code applies. The identification of the process shall ensure that inputs, outputs and emissions can be monitored and that direct and indirect emissions can be attributed to the relevant goods in the functional unit
- Article 4.2: This contains the rules covering the quantities used to define the functional unit – normally the tonnes of goods but specialist rules apply for such goods as electricity and fertilizer
- Article 5: Requires that direct emissions of a production process must be determined with the monitoring principles and methods set out in points A and B of Annex II of this implementing regulation.
- Article 6: The specific emissions of goods shall be determined for both direct and indirect emissions of the production process using Annex III to this implementing regulation. Annex III contains detailed principles for attributing data to the production processes, calculation methods and harmonised efficiency values for separate production of electricity and heat
- Article 7: This identifies the reporting period. For goods imported during 2026, 2026 shall be the reporting period. For all other years, the reporting period will be the calendar year during which the good was imported unless sufficient evidence exists to identify the actual year of production. In that case, the reporting period shall be the year of production
- Article 8: This identifies the location in Annex II to this Implementing Regulation where the elements required to use actual embedded emissions rather than default values are stated. In respect of imported electricity, the elements required to use actual embedded emissions in imported electricity are specified in point D.2.4 of Annex II. In respect of other imported goods, the elements of evidence required are listed in point D.4.3 of Annex II
- Article 9: This requires the production of an ‘operator’s emissions report’ (and a summary thereof) containing at the minimum the information listed in points 1.1 and 1.2 of Annex IV of the Delegated Regulation. Where operators are registered in the CBAM registry they must transmit the operator’s emissions report in English to the CBAM registry, and if relevant, to the verifier.

RULES RELATING TO USE DEFAULT VALUES (CHAPTER 3)

- Article 11: The omnibus changes to CBAM effectively allow operators to use default values – originally they were only to be used if calculation using actual values was impractical. This article reiterates that when default values are used, the default values in Annex IV of the CBAM regulation must be used. This applies for:
 - embedded emissions in imported goods
 - the embedded emissions in precursors in respect of complex goods
 - specific indirect emissions – except where actual values can be used, and
 - embedded direct emissions in electricity – except where actual values can be used.

The Commission must conduct a review of default values by December 2027

SPECIFIC RULES RELATING TO COMPLEX GOODS (CHAPTER 4)

- Article 13: This specifies that the default reporting period of a precursor is the year of production of the complex good unless the operator is able to provide sufficient evidence to support the use of the year of production of the precursor
- Article 14: This specifies the treatment where complex goods are produced using precursors with the same CN number but from different reporting periods and precursors with the same CN number from multiple installations. Broadly, the embedded emissions of the complex goods should be determined by the weighted average of emissions embedded in the relevant precursors received from different reporting periods and / or installations.
- Article 15: This clarifies that for complex goods it is possible to calculate the specific embedded emissions using a combination of actual emissions for the installation producing the complex good and default values for precursors

3. PUBLICATION OF PRICE OF CBAM CERTIFICATES

This [Implementing Regulation](#) specifies the how the price of CBAM certificates is to be calculated and the time limits for publishing the price.

Effective date: 1 January 2026 (Article 9)

Notable provisions include:

2026

- Article 1: This specifies that for each quarter of 2026 the EC shall calculate the price of CBAM certificates as the quarterly average of the auction clearing prices of allowances during the first week of the following quarter. For each auction the clearing price shall be weighted by volume of auctions and stated in Euro.
 - The price shall be based on the quarter in which the goods are imported
- Article 4: The quarterly price of CBAM certificates shall be published on the Commission's website on the first working day of the calendar week following the week of calculation. From the 3rd quarter of 2026 the quarterly prices of certificates will be available to CBAM declarants in the CBAM registry

2027 ONWARDS

- Article 5: From 1 January 2027, the Commission shall calculate the price of CBAM certificates every calendar week as the average of the auction clearing prices of allowances

- For each auction the clearing price shall be weighted by volume of auctions and stated in Euro
- Article 8: The Commission shall publish the price of CBAM certificates on its website on the first working day of the calendar week that follows the relevant auctions. The Commission shall also make the price of CBAM certificates available in the CBAM registry on the first day of application of that price

4. CALCULATION OF THE FREE ALLOCATION ADJUSTMENT TO THE NUMBER OF CBAM CERTIFICATES TO BE SURRENDERED

To ensure the gradual transition from the current system of free allowances in the EU's Energy Trading System (ETS) to the CBAM, the CBAM is progressively being phased in whilst the free allowances in those sectors covered by the CBAM are being phased out. The CBAM Regulation therefore requires that the CBAM certificates to be surrendered are to be adjusted to reflect the extent to which EU ETS allowances are allocated free of charge.

This [Implementing Regulation](#) specifies how the free allocation adjustment should be calculated.

The Commission is to adopt implementing acts laying down detailed rules for the calculation of such adjustment (the 'free allocation adjustment').

The effective date is 1 January 2026 (Article 5). The preamble states that this Regulation should be revised in 2027.

Notable provisions include:

- Articles 1to 3: Specifies that the adjustment to CBAM certificates shall be calculated in accordance with the relevant points in the Annex to this Implementing Regulation, which specifies formulae for the calculation of the free allocation adjustment, calculation of specific embedded free allocation (SEFA) of a good using actual data and default values and SEFAs of simple and complex goods.

There is no free allocation adjustment for electrical energy (CN code 2716 00 00)

- Article 4: This specifies that where an installation producing complex goods uses a type of precursor from multiple installations, the free allocation embedded in the complex good shall be calculated by using the weighted average of the free allocation embedded in the precursors from the different installations – unless there is sufficient evidence that the installation only used precursors from a single installation or a subset of installations

5. DELEGATED ACT ON ACCREDITATION AND VERIFICATION

This [Delegated Regulation](#) sets out very detailed rules covering many aspects of the registration of accredited verifiers and how they must conduct their work.

The effective date is 1 January 2026 (Article 26)

Notable provisions include:

GRANTING AND WITHDRAWAL OF ACCREDITATION (CHAPTER II)

- Article 2: Specifies that National accreditation bodies shall assess whether the legal person:
 - a) meets the competence requirements laid down in Section 1 of Annex II to this Regulation
 - b) is carrying out the verification activities in accordance with the requirements of section 2 of Annex II to this Regulation

- Article 3: An applicant applies to the accreditation body(ies) of the Member State in which it is established, unless the national accreditation body:
 - has not been established in the Member State of establishment
 - does not perform accreditation in respect of the activities in question in the Member State of establishment
 - the national accreditation body has not successfully undergone peer evaluation
 - An applicant from a 3rd country can request accreditation from an appropriate accreditation body of any Member State (Article 3.2)
 - Requests for accreditation shall cover one or more CBAM activity groups listed in Annex I and include the specified documents required in Article 3 para 4
- Article 9: Specifies the circumstances under which accreditation can be withdrawn
- Article 5: When assessing requests for accreditation, the national accreditation body must:
 - a) review the required information supplied by the applicant
 - b) carry out an on-site visit of the premises of the applicant to review a representative sample of the internal verification documentation and assess the implementation of the applicant's quality management system and the procedures or processes for verification activities referred to in Section 1.5 of Annex II
 - c) witness the performance and competence of a representative number of the applicant's staff involved in verifying operators' emissions reports to ensure that they operate in accordance with this Regulation
 - During the assessment the accreditation body shall take into account the specifics of Article 5 para 2 – including the complexity of the scope of accreditation, the complexity of the quality management system etc
 - Accreditation shall also include any activities outsourced by the verifier
 - Any non-conformities identified shall be reported to the applicant, who must take corrective action and respond within the time set by the national accreditation body
- Article 7: Specifies that reassessment of the verifier must be undertaken before the expiry of the accreditation certificate
- Article 9: Specifies the circumstances under which accreditation can be suspended, withdrawn or reduced in scope

CONTROL AND OVERSIGHT OF ACCREDITED VERIFIERS (CHAPTER III)

- Article 14: Requires that the national accreditation body carries out annual surveillance of each verifier to which it has issued an accreditation certificate. The first surveillance of a verifier must be within 12 months of the date on which its accreditation certificate was issued and shall consist of at least:
 - a) an on-site or virtual office assessment of the verifier
 - b) witnessing the performance and assessing the competence of a representative number of the verifier's staff in accordance with Article 5(1), point (c)
- Article 16: Requires that the national accreditation body must investigate any complaints within 3 months of receipt of the complaint

- Article 19: Requires that by the 31 December each year the national accreditation body shall make available a programme of surveillance activities of verifiers that it accredits planned for the next calendar year, including details of the planned surveillance activities. By 31 July each year the national accreditation body shall make available a management report detailing its surveillance activities on verifiers that it accredits
- Article 22: Requires that by the 15 November each year verifiers to send information to their national accreditation body in respect of verifications for the following year, including the time and date, whether virtual or in person, the operators and installations being verified and details of the verification team.

MUTUAL RECOGNITION AND PEER EVALUATION OF ACCREDITATION BODIES

- Article 23: Requires that Member States shall accept the accreditation certificates and recognise the verification reports of verifiers accredited by other national accreditation bodies that have undergone successful peer review
 - Where a national accreditation body has not yet completed peer review, if the organising body of peer reviews has granted an exception and the peer review process has commenced and no non-compliance has been identified verification reports accredited by that national accreditation body must be accepted by other Member States

ANNEX II SECTION 1 - COMPETENCE REQUIREMENTS FOR VERIFIERS, CBAM AUDITORS & INDEPENDENT REVIEWERS

- For each verification engagement, the verifier shall assemble a verification team composed of one CBAM lead auditor and a suitable number of CBAM auditors capable of performing the verification activities
- The verifier shall regularly, and at least annually, monitor the performance of all personnel undertaking verification activities in order to confirm that they continue to have the skills and knowledge required to carry out the tasks assigned to them. The verifier shall assess the competence and performance of a CBAM lead auditor and CBAM auditor.
- Before issuing the verification report, the verifier shall submit the internal verification documentation and the verification report to an independent reviewer who is not part of the verification team.
 - The scope of the independent review shall encompass the complete verification process described in this Section 2 and recorded in the internal verification documentation.
 - The independent reviewer shall perform the review so as to ensure that the verification process is conducted in accordance with applicable Regulations
 - The independent reviewer shall also assess whether the evidence gathered is sufficient to enable the verifier to issue a verification report with reasonable assurance
 - Independent reviews cannot be subcontracted out
- A verifier may call upon technical experts to provide detailed expertise on specific technical matters to both support the CBAM auditors or the independent reviewers
- Annex II provides the detailed competence requirements for verifiers, including:
 - The lead auditor shall have demonstrated competence to speak in English
 - Each auditor shall have:

- knowledge of accreditation, of verification activities and of the monitoring and calculation of embedded emissions pursuant to this Regulation
- knowledge and experience of data and information auditing, including:
 - i. data and information auditing methodologies, the application of the materiality level and assessing the materiality of misstatements
 - ii. analysing inherent and control risks
 - iii. sampling techniques in relation to data sampling and checking control activities
 - iv. assessing data and information systems, IT systems, data-flow activities, control activities, control systems and procedures for control activities
- the ability to perform the activities related to the verification of an operator's emissions report as required under Article 13
- knowledge of and experience in the sector specific technical monitoring and reporting aspects that are relevant for the scope of activities referred to in Annex I in which the CBAM auditor is carrying out verification
- In addition, the verification team shall include at least one CBAM auditor with:
 - i. the ability to communicate effectively in the language required to examine the information submitted by the operator
 - ii. the technical competence and understanding required to assess the specific technical monitoring and reporting aspects related to the installation's activities referred to in this Annex
 - iii. where the verifier carries out the verification of data regarding electricity imported into the customs territory of the Union, the technical competence and understanding required to assess the evidence required to demonstrate the fulfilment of criteria laid down in Section 5, first paragraph, points (a) to (d) of Annex IV to Regulation (EU) 2023/956
 - iv. where the verifier carries out the verification of data regarding goods that are not listed in Annex II to Regulation (EU) 2023/956, the technical competence and understanding required to assess the evidence required to demonstrate the fulfilment of the criteria laid down in Section 6 of Annex IV to Regulation (EU) 2023/956
- in this section there are other rules covering:
 - i. The competence requirements listed for independent reviewers (para 1.3)
 - ii. Procedures for verification activities (para 1.5)
 - iii. Record keeping and communication requirements (para 1.6)
 - iv. Impartiality and independence (para 1.7)

ANNEX II SECTION 2 - REQUIREMENTS FOR VERIFICATION ACTIVITIES

- There are detailed rules covering the conduct of verification activities, covering:
 - General obligations for the verification (Para 2.1.1) including the purpose of the report, that it shall be an effective and reliable tool to support of quality assurance and quality control

procedures, that it should be **reliable** for users and **faithfully represents** what it may reasonably be expected to represent

- General obligations during the verification (Para 2.1.2), including assessment of whether the operators emissions report is **complete** and **meets the reporting requirements**, is **free from material misstatements** and that the operator has acted in conformity with the installation's monitoring plan
- Pre-contractual obligations and time allocation (para 2.2)
- Information to be received from operators (para 2.3)
- The necessity of and the requirements for a strategic analysis (para 2.4) before the verification takes place
- The necessity for a risk assessment before designing, planning and implementing verification (para 2.5)
- The minimum content of the verification plan (para 2.6)
- Verification activities (para 2.7), specifying minimum procedures of:
 - substantive testing consisting of analytical procedures and data verification
 - verification of the correct application of the monitoring methodology
 - checking:
 - the data flow activities and the systems used in the data flow, including information technology systems
 - whether the control activities of the operator are appropriately documented, implemented and updated and whether they are effective in mitigating the inherent risk
 - whether the procedures listed in the monitoring plan are effective to mitigate the inherent risks and control risks and whether the procedures are implemented, sufficiently documented and properly updated
- Analytical procedures (para 2.8) to assess the reported data to identify potential risk areas and thereby validate and tailor the verification plan, with minimum activities required of:
 - assessing the plausibility of fluctuations and trends over time or between comparable items
 - identifying immediate outliers, unexpected data and data gaps
- Data verification activities (para 2.9), including:
 - The boundaries of the installation, its production process and production routes
 - The completeness of source streams and emissions sources
 - The consistency of the data reported in the operator's emissions report with primary source data
 - The reported activity levels of the production processes
 - The reliability and accuracy of the data, etc

- Verification of the correct application of the monitoring methodology (para 2.10), with specific checks including:
 - whether data are complete and whether data gaps or double counting have occurred
 - whether all data on emissions, inputs, outputs and energy flows are attributed correctly to the production process in line with the defined system boundaries
 - whether activity levels for production processes are based on a correct application of the definitions of aggregated goods categories
 - whether the energy consumption has been correctly attributed to each production process
 - for precursors used but not produced at the installation, whether any actual emissions were verified as satisfactory by a verifier etc
- Reliance on other audits (para 2.11)
- Sampling (para 2.12) where the risk analysis determines sampling is justified
- Physical site visits (para 2.13)
- How to address misstatements, non-conformities and non-compliance (para 2.14)
- Review of the verification documentation and authentication of the verification report by an independent reviewer (para 2.15) within the verifier organisation
- Documentation of the verification engagement (para 2.16)
- Requirements relating to the verification report (para 2.17), including:
 - The criteria for deciding whether the report is specified as satisfactory or unsatisfactory, on the basis:
 - that the operator's emissions report contains uncorrected material misstatements or non-conformities;
 - that non-conformities, individually or combined with other non-conformities, provide insufficient clarity and prevent the verifier from stating with reasonable assurance that the operator's emissions report is free from material misstatements
 - that the scope of verification is too limited and the verifier could not obtain sufficient evidence to issue a verification opinion with reasonable assurance that the report is free from material misstatements (details in para 2.18)
 - that the verification report shall be in English and, from 1 January 2027, shall be issued in the CBAM registry
- Addressing outstanding non-conformities that are not material (para 2.19)
- Including points for improvement identified during the verification engagement in the verification report (para 2.20)

2. CBAM REVIEW REPORT

Review Report on the application of the CBAM Regulation.

3. EXTENSION OF THE SCOPE OF CBAM TO DOWNSTREAM GOODS

This proposed Regulation proposes to make changes to the CBAM regulation to strengthen anti-circumvention measures but also to extend the scope of the CBAM to include more downstream goods that have a significant steel or aluminium content. This extension of scope is intended to reduce the risk that manufacture of more complex goods would be moved to third countries and is directed at those products that the Commission has assessed at being of greatest risk of carbon leakage. The majority of those additional downstream products that it is proposed to be added are used by businesses but some of the products are directly bought by consumers or form part of a finished product bought by consumers.

As a next step, this proposed Regulation must be approved by both the European Parliament and the Council, which may also amend the proposal. This process will take several months, and the final legislation may differ from the original proposal depending on the Parliament's and the Council's amendments.

Proposed entry into force:

- 1 January 2026: Points 1 and 6 of Annex II, (covering supplies of electricity)
- 1 January 2028: Article 1(6), point (a), Article 1(8), points (a), (b) and (c), Article 1(21), (23), and (24), and point 2 of Annex II

Extension of scope

- Article 1 points 21-23 amends Annex I, IV and VI of the CBAM Regulation, with points g to j deleted and point ka inserted “material composition of each downstream good”
 - Annex I: New goods added to Iron and Steel (GHG - CO₂):
 - 7312 10 – Stranded wire, ropes and cables, of iron or steel
 - 7314 39 00 – Other grill, netting and fencing, of iron or steel wire, welded at the intersection
 - 7320 20 89 – Other helical springs, of iron or steel
 - 7320 90 90 – Other springs and leaves for springs, of iron or steel
 - 7323 94 00 – Table, kitchen or other household articles, and parts thereof, of iron other than cast iron or steel, enamelled
 - 7323 99 00 – Other table, kitchen or other household articles, and parts thereof
 - 7325 – Other cast articles of iron or steel
 - Table 2 – Combined metal products added – (GHG - CO₂ or CO₂ & perfluorocarbons)
 - This introduces Over 110 new categories including heavy industrial plant and cooling, electric motors, washing machines, motor vehicles, metal furniture
 - Revisions to Annex IV
 - Points 1e and 1f are replaced – 1e allows for the weighted average of CO₂ intensity of electricity produced in the geographic area instead of default values
 - Point 3 – determining the actual embedded emissions for complex goods changed from “Only input materials (precursors) listed as relevant to the system boundaries of the production process as specified in the implementing act adopted pursuant to Article 7(7) are to be considered” to “Only input materials (precursors) listed in Annex I and Annex VIII and originating in third countries and territories that are not exempted pursuant to Annex III, Section 1 are to be considered”
 - And a new paragraph added “However, for goods listed in sections ‘Iron and Steel’, ‘Aluminium’ and ‘Combined Metal Goods’ of Annex I, Mi is a function of the content of goods used as input materials (precursors) in the manufacturing of the good”
- Article 1.6(c) amends Article 7 para 7, adding a new paragraph: “The implementing acts referred to in the first subparagraph may provide a list of downstream goods for which, due to the complexity of the

supply chain and without prejudice to the environmental integrity of the CBAM, no mark-up is to apply.”

- Article 1 (6) (a) specifies that embedded input materials (precursors) listed in Annex VIII (ferrous and aluminium waste and scrap produced as a side-product of the production process and not generated by consumers) are to be taken into account for the calculation of embedded carbon dioxide emissions in goods

VERIFIERS

- Article 1(1)(e) would permit the EU to conclude agreements with third countries for mutual recognition of a legal person to be a CBAM verifier (replacement of existing Article 2 paragraphs 11 and 12 with a new paragraph 11).
- Article 1(7)(a)(1) removes the requirement that the person who certifies the carbon price paid in a third country needs to be independent from the authorised CBAM declarant, currently required in Article 9(2). Article 1(7)(a)(2) further allows that the independent person may be a legal person accredited by a national accreditation body for the relevant scope of accreditation (new subparagraph inserted into Article 9(2). It is also proposed in Article 1(7)(b) to give the Commission powers to adopt implementing acts to cover the qualifications of the independent person – covering accreditation by a national accreditation body, the specification of the certification procedures, and the appropriate exchanges of information between the independent person, national accreditation bodies, the European Commission and competent authorities.

COMBATTING ABUSIVE PRACTICES

- Article 1(3) (adding a point 35 to article 3 of the CBAM Regulation) defines abusive practices as “practices pursued by an actor for the purpose of gaining a benefit by unduly avoiding, wholly or partially, the CBAM financial liability and thereby undermining the effectiveness of the CBAM to address the risk of carbon leakage in the EU.”
- The requirements for information to be included in the CBAM declaration have been amended to help combat abusive practices. Article 1(5)(a)(2) provides for:
 - New Article 6 para 2 point (e) Where there is a lack of supply chain traceability, it may be required to produce evidence that the goods imported during the preceding calendar year were produced at the installation declared and at the time of production referred to in the CBAM declaration.
 - New Article 6 para 2 point (f): where actual emissions are used to report embedded emissions and where it has been determined that goods in question are subject to a high risk of abusive practices (to be identified in a delegated act), evidence should be provided that the high risk of abusive practices has not materialised
- Article 1(5)(a)(2) requires that the EC monitors the impact of the CBAM on the internal market and where it finds that there is sufficient evidence pointing towards a high risk of abusive practices for a combination of goods and origins, it may inform importers and authorised CBAM declarants, competent authorities and customs authorities about these risks with a view of increasing their level of control, and it is empowered to adopt delegated acts to lay down the methods for the identification of the combination of goods and origins, the information to be declared for the use of actual emissions for those combinations of goods and origins as well as the evidence to be provided to demonstrate that no abuse has taken place. (new Article 6 paragraph 7) – within three months of finding sufficient evidence

SERIOUS AND UNFORESEEN CIRCUMSTANCES

- Article 1(17) empowers the Commission to remove goods from Annex I (goods for which direct and indirect embedded emissions must be taken into account) if sever harm to the internal market could occur due to serious and unforeseen circumstances relating to the impact on the price of goods (Insertion of a new Article 27a). The goods will remain excluded from Annex I until the severe and unforeseen circumstances have passed.

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