

A stylized world map in shades of blue and white, centered on the Atlantic Ocean, serving as a background for the slide.

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Your Customs Clearance Partner

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Introduction to CBAM

CBAM- What is it and why?

- CBAM is an environmental policy instrument being introduced by the EU
- To help the EU decarbonise and reach its climate objectives
- EU producers will soon have to pay a carbon price under the ETS (Emissions Trading Scheme)
- CBAM will work in tandem with this to avoid “carbon leakage”- the relocation of production outside the EU to countries with less ambitious decarbonisation policies.
- Importers of certain goods will have to buy certificates to cover the embedded carbon emissions
- Importers of such products will have to register and report on a quarterly basis
- Phased introduction
 - Transitional period from 1 Oct 23
 - Definitive period from 1 Jan 26
- This is a brand-new regulation for everyone- exact rules are still being set for how the full system will work
- The EC is preparing detailed guidance for the application of CBAM
 - Training, e-learning, webinars etc
- Very low bar for exemptions- only €150 per shipment.

CBAM aims to equalise the price of carbon between domestic products and imported products

CBAM- Who is involved?



- Sectors- Initial scope of CBAM will cover the following carbon intensive products
 - Iron & Steel
 - Cement
 - Aluminium
 - Fertilisers
 - Hydrogen
 - Electricity
- Ultimately it will cover embedded emissions across all broader categories
- Companies within the scope of CBAM will be identified by CN (commodity) codes in import declarations
- Importer- the importer of these goods will need to register as an importer, report on emissions and purchase the CBAM certificates.
- European Commission (EC): the mechanism is being rolled out by the EC
- Environmental Protection Agency (EPA) is the competent body in Ireland
- Revenue- The Revenue will provide the EPA with the import data, so they can identify the importers and the amounts they import on a monthly/quarterly basis.
- Operators (of the steel production facilities)- Embedded emissions will need to be reported at the production facility level. So data will need to be provided by the operators of all facilities where goods are sourced.

Customs data gives regulators a 100% clear picture of what CBAM products are being imported, and by who.

CBAM- When? What are the timelines?



- The Carbon Adjustment Border Mechanism
 - Transitional period 1 Oct 23 to 31 Dec 25
 - Implementation period From 1 Jan 26

- Phased introduction to allow all parties adjust to the requirements

- Transitional period
 - No payments for carbon certs required in the transitional period.
 - Learning, data gathering
 - Registration is required with the CBAM Transitional Registry
 - Q4 2023 report was due at the end of Jan 2024, Q1 2024 report was due at the end of April.

- Implementation period
 - Importers will need to be authorised to import goods covered by CBAM
 - CBAM certs will need to be purchased
 - Reports will need to be independently verified.

CBAM reports for Q4 2023 and Q1 2024 are now overdue

CBAM- Reporting Requirements (transitional period)

- The following must be reported on a quarterly basis:
 - The total quantity of goods in tonnes, split by the following
 - Commodity code
 - Origin
 - Production facility
 - The total direct embedded emissions for each of the above in tonnes of CO2 per tonne
 - The total indirect emissions for each of the above (resulting from electricity consumption)
 - The facility's method of production
 - The carbon price paid/due in country of origin (rebate, if relevant)
 - Additional specific reporting parameters for Iron & Steel
 - Content of alloys
 - % scrap in production
- The quarterly reports are submitted to the CBAM Transitional Registry
- Default values: If the specific info is not available, it is possible to use default values in reports up to 31 July 24. (i.e the first 3 reports). Default values have been published by the EC.
- Fines & penalties of up to €50 a tonne can be levied for absent or incorrect reports.

Note: a full list of the reporting requirements is listed in Article 3 of the EC's CBAM Implementing Regulation.

There is a fair degree of detail required in the reporting.

Our Solution to CBAM Data Gathering



Our Monthly CBAM Reports

We will provide the below CBAM activity report on a monthly basis to give you an instant picture of your CBAM numbers.

This will be a big help in the data collection process for the quarterly reports. The more CBAM data you can get on the supplier invoice, the more we can help automate the data collection further.

Consignor	Date	Curr	Inv Total	Item Price	FX	Item Price €	Origin	CBAM?	CN Code	Net Mass
ABC Steels	19-Aug-2023	GBP	1,625	937	0.87	1,078	UK	YES	7215501100	831
ABC Steels	19-Aug-2023	GBP	1,625	688	0.87	792	EU	YES	7215100000	506
TransIndia Steels	21-Aug-2023	GBP	40,192	18,748	0.87	21,570	IN	YES	7228306990	12,310
TransIndia Steels	21-Aug-2023	GBP	40,192	21,444	0.87	24,671	IN	YES	7228306190	14,080
Q4 Steels Ltd	22-Aug-2023	EUR	1,731	1,224	1.00	1,224	TR	YES	7215100000	681
Harvest Alloys	10-Aug-2023	GBP	916	916	0.87	1,054	EU	NO	7505120000	22
UK One Steels	24-Aug-2023	GBP	1,015	1,015	0.87	1,168	EU	YES	7222111100	284
TransIndia Steels	25-Aug-2023	EUR	41,992	41,992	1.00	41,992	IN	YES	7222201100	23,200
Full Metals Steels	29-Aug-2023	EUR	20,862	20,862	1.00	20,862	TR	YES	7215501900	24,365
				311,596		332,234				231,953

Total weight of imports in tons- Ready-to-Go for CBAM reporting.

CBAM – Priority #1: Get reports submitted for Q4 2023 & Q1 2024



Steps to Take to Get CBAM Report Filed

1. Establish your post-import dataset : commodity code – origin – net mass
 - C&E monthly reports as the starting point
 - Complete dataset from import declarations
2. Register with the CBAM Transitional Registry
3. Apply for a reporting extension
4. Obtain the default values for carbon emissions (allowed for first 3 reports)
5. Request pre-import data from suppliers (for reports from Q3 2024)
6. Populate CBAM report & submit

Longer Term

- Put a process in place to collect the post-import data
- Ensure the pre-import data (carbon emissions) will be received from suppliers
- Understand the effect carbon certs will have on input costs and pricing

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The aim should be to become CBAM compliant, and avoid potential fines.