

# Carbon Border Adjustment Mechanism [CBAM]

- EU's 'Fit for 55 Package' - 55% reduction in GHG emissions in the EU by 2030
- Address the risk of carbon leakage while ensuring that production isn't moved out of the EU
- Main products – iron, steel, aluminium, cement, electricity, fertilisers
- CBAM Transition Phase 1/1/23 to 1/1/26
  - Collection of CBAM data from reports submitted to the national CBAM Competent Authority
- Full implementation from 2026 to 2035.
  - Importers authorised by the CBAM Competent Authority (CA) – Environmental Protection Agency (EPA)
  - Importer purchases CBAM certificates from the CA to cover the CO<sup>2</sup> emissions generated in the manufacture of the goods they import
  - Importer reports the quantity of CBAM goods imported in the preceding year to the CA by 31 May
  - EPA and CD share information with the EU Commission on CBAM product imports
- Gradual phase out of the existing EU's Emissions Trading System (ETS) free allowances.