European Parliament
2024-2029

Committee on the Environment, Climate and Food Safety

2025/0419(COD)

10.4.2026

***I
DRAFT REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2023/956 as regards the extension of its scope to downstream goods and anti-circumvention measures
(COM(2025)0989 – C10-0352/2025 – 2025/0419(COD))

Committee on the Environment, Climate and Food Safety

Rapporteur: Mohammed Chahim

Symbols for procedures

*	Consultation procedure
***	Consent procedure
***I	Ordinary legislative procedure (first reading)
***II	Ordinary legislative procedure (second reading)
***III	Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the ▌ symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.
By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2023/956 as regards the extension of its scope to downstream goods and anti-circumvention measures
(COM(2025)0989 – C10-0352/2025 – 2025/0419(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2025)0989),

– having regard to Article 294(2) and Article 192(1) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C10-0352/2025),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the budgetary assessment by the Committee on Budgets,

– having regard to the opinion of the European Economic and Social Committee of 19 March 2026[1],

– having regard to the opinion of the Committee of the Regions of [...][2],

– having regard to Rule 60 of its Rules of Procedure,

– having regard to the opinions of the Committee on International Trade and the Committee on Industry, Research and Energy

– having regard to the report of the Committee on the Environment, Climate and Food Safety (A10-0000/2026),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

[1] Not yet published in the Official Journal.
[2] [OJ C 0, 00.00.0000, p. 0./ Not yet published in the Official Journal.]

Amendment 1

Proposal for a regulation
Recital 1

Text proposed by the Commission	*Amendment*
(1) Regulation (EU) 2023/956 of the European Parliament and of the Council[3] was initially designed with a limited scope, covering those goods that are most exposed to the risk of carbon leakage and that are most carbon intensive. The scope of that Regulation should be gradually extended to cover products further down the value chain of the goods listed in Annex I to that Regulation.	(1) Regulation (EU) 2023/956 of the European Parliament and of the Council[3] was initially designed with a limited scope, covering those goods that are most exposed to the risk of carbon leakage and that are most carbon intensive. The scope of that Regulation should be gradually extended to cover products further down the value chain of the goods listed in Annex I to that Regulation***, based on quantitative and transparent methodologies***.
[3] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52, ELI: http://data.europa.eu/eli/reg/2023/956/oj).	[3] Regulation (EU) 2023/956 of the European Parliament and of the Council of 10 May 2023 establishing a carbon border adjustment mechanism (OJ L 130, 16.5.2023, p. 52, ELI: http://data.europa.eu/eli/reg/2023/956/oj).

Or. en

Amendment 2

Proposal for a regulation
Recital 8

Text proposed by the Commission	*Amendment*
(8) Electricity flows from third countries resulting from actions that transmission system operators take to ensure the safe and secure operation of their networks, including handling emergencies and unscheduled flows, should not be subject to this Regulation.	(8) Electricity flows from third countries resulting from actions that transmission system operators take to ensure the safe and secure operation of their networks ***and system security***, including handling emergencies***, balancing services*** and unscheduled ***or unintended exchange*** flows, should not be subject to this Regulation.

Or. en

Amendment 3

Proposal for a regulation
Recital 9

Text proposed by the Commission	*Amendment*
(9) Due recognition of the progress made by the relevant third countries towards market coupling of the electricity systems ensures that any time-limited exemptions as foreseen in this Regulation fully align with the strategic objectives of the Union and those third countries' specific achievements. The efficient use of the existing electricity infrastructure and the integration of electricity markets of third countries into the internal electricity market of the Union is essential to reduce costs for both Member States and the relevant third countries, as well as to ensure security of supply. Such recognition should be put forward by means of a Memorandum of Understanding between the Commission and the third countries that have fully transposed the relevant electricity market acquis**,** as verified by the Commission. ***The*** Memorandum of Understanding should set the timeline for the application of the exemption foreseen in Regulation (EU) 2023/956, while considering adherence to relevant market rules and transmission system operator (TSO) institutions in line with Regulation (EU) 2019/943 of the European Parliament and of the Council[8] and Commission Regulation (EU) 2015/1222[9] , and the progress made by the relevant countries on carbon pricing instruments equivalent to the EU ETS insofar as electricity generation is concerned.	(9) Due recognition of the progress made by the relevant third countries towards market coupling of the electricity systems ensures that any time-limited exemptions as foreseen in this Regulation fully align with the strategic objectives of the Union and those third countries' specific achievements. The efficient use of the existing electricity infrastructure and the integration of electricity markets of third countries into the internal electricity market of the Union is essential to reduce costs for both Member States and the relevant third countries, as well as to ensure security of supply. Such recognition should be put forward by means of a Memorandum of Understanding between the Commission and the third countries that have fully transposed the relevant electricity market acquis ***or*** as verified by the Commission. ***Where a third country initiates the process of market integration to fully transpose the electricity market acquis, the Commission should be able to assess the possibility of concluding a Memorandum of Understanding with that third country prior to the completion of the full integration of that acquis. The*** Memorandum of Understanding should set the timeline for the application of the exemption foreseen in Regulation (EU) 2023/956, while considering adherence to relevant market rules and transmission system operator (TSO) institutions in line with Regulation (EU) 2019/943 of the European Parliament and of the Council[8] and Commission Regulation (EU) 2015/1222[9] , and the progress made by the relevant countries on carbon pricing instruments equivalent to the EU ETS insofar as electricity generation is concerned.

[8] Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (OJ L 158, 14.6.2019, p***p***. 54–***124***, ELI: http://data.europa.eu/eli/reg/2019/943/oj).

[9] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p***p***. 24–***72***, ELI: http://data.europa.eu/eli/reg/2015/1222/oj).

[8] Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market for electricity (recast) (OJ L 158, 14.6.2019, p. 54, ELI: http://data.europa.eu/eli/reg/2019/943/oj).

[9] Commission Regulation (EU) 2015/1222 of 24 July 2015 establishing a guideline on capacity allocation and congestion management (OJ L 197, 25.7.2015, p. 24, ELI: http://data.europa.eu/eli/reg/2015/1222/oj).

Or. en

Amendment 4

Proposal for a regulation
Recital 9 a (new)

Text proposed by the Commission	*Amendment*
	(9a) In already integrated markets with partial alignment to the EU ETS, differences in scope with the CBAM can raise some practical uncertainties. In such cases, a Memorandum of Understanding can also help to clarify the application of the CBAM, ensure consistency, and support administrative cooperation, while contributing to closer coordination of emissions trading systems.

Or. en

Amendment 5

Proposal for a regulation
Recital 9 b (new)

Text proposed by the Commission	*Amendment*
	(9b) Clarifying conditions for declaring actual emissions for electricity imports under the CBAM should support a greater use of actual values, notably for electricity generated from renewable sources. In

light of ongoing decarbonisation developments in neighbouring regions, this would ensure that the CBAM is effective in promoting third countries' efforts to accelerate the decarbonisation of their electricity systems.

Or. en

Amendment 6

Proposal for a regulation
Recital 10 a (new)

Text proposed by the Commission	*Amendment*
	(10a) During the transitional phase of the CBAM implementation, the Commission assessed the potential inclusion of additional sectors, in particular organic chemicals, polymers, and scrap materials. That assessment indicates that, despite the complexity of value chains and the role of intermediates, the inclusion of certain chemicals and polymers is technically feasible, and that selected scrap materials from sectors such as pulp, paper, and glass could be considered as candidates for future coverage. To ensure a proportionate, effective, and practicable application of the CBAM, a gradual and phased approach should be pursued, starting with products with simpler value chains or established EU ETS benchmarks, and progressively expanding the scope as technical feasibility, data availability, and monitoring capacity allow.

Or. en

Amendment 7

Proposal for a regulation
Recital 11 a (new)

Text proposed by the Commission	*Amendment*
	(11a) While the existing enforcement framework under Regulation (EU) 2023/956 addresses a range of avoidance risks, including the misclassification of goods, under-declaration of quantities, failure to submit the CBAM declarations, and the misapplication of de minimis thresholds, additional provisions are needed to effectively address the risks of abusive practices. Such provisions are necessary to prevent distortions of competition and ensure a level playing field.

Or. en

Amendment 8

Proposal for a regulation
Recital 13

Text proposed by the Commission	*Amendment*
(13) The Commission should monitor the impact of the CBAM on the Union internal market with a view to assessing the risk of abusive practices undermining the effectiveness of the CBAM and the potential impact on the Union internal market, including through an analysis of customs import declarations and CBAM declarations or on the basis of any relevant source of information, including from Member States through exchanges in the Expert Group on the CBAM or other relevant exchanges.	(13) ***In order to ensure the effective implementation and enforcement of Regulation (EU) 2023/956,*** the Commission should monitor the impact of the CBAM on the Union internal market with a view to assessing the risk of abusive practices undermining the effectiveness of the CBAM and the potential impact on the Union internal market, including through an analysis of customs import declarations and CBAM declarations or on the basis of any relevant source of information, including from Member States through exchanges in the Expert Group on the CBAM or other relevant exchanges. ***The identification of such practices should be based on transparent and objective criteria, trends in import volumes, the level and consistency of declared emissions from installations in third countries, economic incentives for operators to engage in abusive practices and the degree of heterogeneity in***

emission intensities of specific products.

Or. en

Amendment 9

Proposal for a regulation
Recital 14

Text proposed by the Commission	*Amendment*
(14) To enable a swift reaction in the case of evidence pointing towards a high risk of abusive practices, the Commission should be empowered to adopt delegated acts to lay down, for the use of actual emissions for a combination of goods and origins, the information to be declared as well as the evidence demonstrating that such abusive practices have not materialised. Where the Commission finds sufficient evidence pointing towards a high risk of abusive practices, the Commission should be required to act by way of delegated acts within three months after the finding. ***These conditions and evidence*** should be designed in a proportionate manner and they should not place unnecessary burden on operators and importers.	(14) To enable a swift reaction in the case of evidence pointing towards a high risk of abusive practices, the Commission should be empowered to adopt delegated acts to lay down, for the use of actual emissions for a combination of goods and origins, the information to be declared as well as the evidence demonstrating that such abusive practices have not materialised. Where the Commission finds sufficient evidence pointing towards a high risk of abusive practices, the Commission should be required to act by way of delegated acts within three months after the finding. ***The measures that the Commission should be able to adopt to define additional reporting obligations for those goods and origins identified for a high risk of abusive practices,*** should be designed in a proportionate manner***, time-limited with the possibility of extension based on regular assessments, supported by regulatory guidance*** and they should not place unnecessary burden on operators and importers.

Or. en

Amendment 10

Proposal for a regulation
Recital 20

Text proposed by the Commission	*Amendment*
(20) With a view to strengthening the effectiveness of the CBAM to address the risk of carbon leakage of goods, emissions	(20) With a view to strengthening the effectiveness of the CBAM to address the risk of carbon leakage of goods, emissions

of pre-consumer aluminium scrap and pre-consumer steel scrap should be taken into account for the calculation of embedded emissions of goods. Since pre-consumer scrap is a co-product generated unintentionally in the production process of metal goods and immediately reusable in a production process, it is not considered at risk of carbon leakage in its own right. Therefore, the emissions of pre-consumer aluminium scrap and pre-consumer steel scrap should only be taken into account when used as a precursor for goods listed in Annex I of this Regulation. The Commission should ensure that the monitoring, reporting and verification of emissions embedded in pre-consumer scrap used as input material (precursor) is not circumvented, including by misreporting pre-consumer scrap as post-consumer scrap to lower the determination of embedded emissions.

of pre-consumer aluminium scrap and pre-consumer steel scrap should be taken into account for the calculation of embedded emissions of goods***. For the purpose of Regulation (EU) 2023/956, 'scrap' is defined in accordance with Council Regulation (EU) No 333/2011[1a], and is not considered waste under Directive 2008/98/EC of the European Parliament and of the Council[1b]***. Since pre-consumer scrap is a co-product generated unintentionally in the production process of metal goods and immediately reusable in a production process, it is not considered at risk of carbon leakage in its own right. Therefore, the emissions of pre-consumer aluminium scrap and pre-consumer steel scrap should only be taken into account when used as a precursor for goods listed in Annex I of this Regulation. The Commission should ensure that the monitoring, reporting and verification of emissions embedded in pre-consumer scrap used as input material (precursor) is not circumvented, including by misreporting pre-consumer scrap as post-consumer scrap to lower the determination of embedded emissions. ***Where materials are claimed to constitute post-consumer scrap, the importer should be required to provide sufficient, verifiable evidence demonstrating the origin and classification of such materials.***

[1a] Council Regulation (EU) No 333/2011 of 31 March 2011 establishing criteria determining when certain types of scrap metal cease to be waste under Directive 2008/98/EC of the European Parliament and of the Council (OJ L 94, 8.4.2011, p. 2, ELI: http://data.europa.eu/eli/reg/2011/333/oj).

[1b] Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives (OJ L 312, 22.11.2008,

p. 3,
ELI: http://data.europa.eu/eli/dir/2008/98/oj).

Or. en

Amendment 11

Proposal for a regulation
Recital 20 a (new)

Text proposed by the Commission	*Amendment*
	(20a) The Commission should actively engage with third countries to foster interoperability of carbon pricing systems and to align monitoring, reporting, and verification (MRV) practices. Such engagement should aim at the development of common principles and the mutual recognition of comparable carbon pricing systems. The Commission should report regularly on the progress and outcomes of those efforts.

Or. en

Amendment 12

Proposal for a regulation
Recital 20 b (new)

Text proposed by the Commission	*Amendment*
	(20b) Considering the potential role of carbon pricing mechanisms in Least Developed Countries (LDCs), the Commission should further assess, in the context of implementing Regulation (EU) 2023/956, the conditions under which such mechanisms could support the application of Regulation (EU) 2023/956, ensuring that any such approach is underpinned by robust data, environmental integrity, and a thorough evaluation of potential risks.

Or. en

Amendment 13

Proposal for a regulation
Recital 21

Text proposed by the Commission	*Amendment*
(21) To facilitate the application of Regulation (EU) 2023/956, the Union may in the context of the Implementing Regulation for accounting the carbon price paid abroad, consider the carbon credits under Article 6 of the Paris Agreement.	***deleted***

Or. en

Amendment 14

Proposal for a regulation
Recital 36

Text proposed by the Commission	*Amendment*
(36) To prevent practices which could undermine the achievement of the objectives of the CBAM, the Commission should continuously monitor at Union level practices of circumvention consisting of artificially adjusting the supply chain of goods to avoid the obligations laid down in Regulation (EU) 2023/956.	(36) To prevent practices which could undermine the achievement of the objectives of the CBAM, the Commission should continuously monitor at Union level practices of circumvention consisting of artificially adjusting the supply chain of goods to avoid the obligations laid down in Regulation (EU) 2023/956. ***Furthermore, the Commission should continue to assess other anti-circumvention risks not yet addressed in Regulation (EU) 2023/956, and, where necessary, review and address such risks, in order to ensure a swift and effective response.***

Or. en

Amendment 15

Proposal for a regulation
Recital 36 a (new)

Text proposed by the Commission	*Amendment*
	(36a) The exceptional and unforeseeable circumstances resulting from prolonged military conflict, and their severe impact on the economic and industrial infrastructure of affected regions, should be considered. In light of the evolving nature of the conflict and its potential economic consequences, the Commission should regularly reassess whether the conditions for the application of Article 30(7) of Regulation (EU) 2023/956 are fulfilled, and, where appropriate, consider submitting a report accompanied by a legislative proposal providing for provisional measures. In that context, particular attention should be paid to the capacity of operators in affected regions to comply with the CBAM requirements, as well as to the broader objective of supporting economic resilience and decarbonisation.

Or. en

Amendment 16

Proposal for a regulation
Recital 36 b (new)

Text proposed by the Commission	*Amendment*
	(36b) The Commission should continuously monitor the carbon intensity of products falling under newly split Combined Nomenclature (CN) codes that originate from CN codes listed in Annexes I and VIII to Regulation (EU) 2023/956. The Commission, in the context of upcoming reviews, should assess, on an ongoing basis, the possibility of including such new codes within the scope of Annexes I and VIII to that Regulation.

Or. en

Amendment 17

Proposal for a regulation
Recital 37

Text proposed by the Commission	*Amendment*
(37) To enable a swift reaction in the case of serious and unforeseeable consequences from the inclusion of a good in the scope of the CBAM, leading to severe harm to the Union internal market, the Commission should be empowered to adopt delegated acts to remove a good from the scope of Regulation (EU) 2023/956.	***deleted***

Or. en

Amendment 18

Proposal for a regulation
Recital 45 a (new)

Text proposed by the Commission	*Amendment*
	(45a) To ensure a robust and coherent Union carbon pricing framework, strengthen decarbonisation incentives, and contribute to achieving a climate-neutral Union by 2050, the CBAM should progressively and coherently extend the coverage of indirect emissions, which are already included for fertilisers and cement, to other sectors. Given the current dispersion in the use of indirect cost compensation across Member States, which risks undermining the uniform application of carbon pricing, the Commission should assess the technical and policy options, including the gradual phase-in of indirect emissions across sectors and a coordinated phase-out of compensation measures for indirect costs, and present a proposal by the end of 2027.

Or. en

Amendment 19

Proposal for a regulation
Recital 47 a (new)

Text proposed by the Commission	*Amendment*
	(47a) The Commission should publish the default values referred to in Regulation (EU) 2023/956 in a timely manner before their application. Those default values should be regularly reviewed and, where appropriate, updated on the basis of the most recent reliable and publicly available data and in accordance with transparent and robust methodologies.

Or. en

Amendment 20

Proposal for a regulation
Recital 50

Text proposed by the Commission	*Amendment*
(50) In order to amend certain non-essential elements of Regulation (EU) 2023/956, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union should be delegated to the Commission in respect of removing goods from the scope of Annex I, where necessary, due to severe harm to the Union internal market caused by serious and unforeseeable circumstances, and until these serious and unforeseeable circumstances have passed. In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council should receive all documents at the same time as Member States' experts, and their experts should systematically have access to meetings of Commission expert groups dealing with the preparation of delegated	***deleted***

acts.

Or. en

Amendment 21

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point c
Regulation (EU) 2023/956
Article 2 – paragraph 7a – subparagraph 2

Text proposed by the Commission	*Amendment*
The Memorandum of Understanding referred to in the first subparagraph shall set the timeline for the application of the exemption foreseen in Article 2(7) and the timeline for the implementation of a carbon pricing instrument equivalent to the EU ETS, insofar as electricity generation is concerned.***;***	The Memorandum of Understanding referred to in the first subparagraph shall set the timeline for the application of the exemption foreseen in Article 2(7) and the timeline for the implementation of a carbon pricing instrument equivalent to the EU ETS, insofar as electricity generation is concerned. ***Where a third country initiates the process of market integration to fully transpose the electricity market acquis, the Commission may assess the possibility of concluding a Memorandum of Understanding with that third country prior to the completion of the full integration of that acquis.***

Or. en

Amendment 22

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point e
Regulation (EU) 2023/956
Article 2 – paragraph 11

Text proposed by the Commission	*Amendment*
11. The Commission is empowered to adopt delegated acts in accordance with Article 28 in order to amend the lists of third countries or territories listed in point 1 or 2 of Annex III by adding or removing a third country or territory, depending on whether the conditions set out in paragraph 6, 7 or 9 of this Article are fulfilled in respect of that third country or territory, or	11. The Commission is empowered to adopt delegated acts in accordance with Article 28 in order to amend the lists of third countries or territories listed in point 1 or 2 of Annex III by adding or removing a third country or territory, depending on whether the conditions set out in paragraph 6, 7 or 9 of this Article are fulfilled in respect of that third country or territory, or

as a consequence of the incorporation of the CBAM into the EEA Agreement. ***Where, in the case of adding a third country to the list of third countries or territories listed in point 2 of Annex III, imperative grounds of urgency so require, the procedure provided for in Article 28a shall apply to delegated acts adopted pursuant to this paragraph.***	as a consequence of the incorporation of the CBAM into the EEA Agreement.

Or. en

Amendment 23

Proposal for a regulation
Article 1 – paragraph 1 – point 1 – point e
Regulation (EU) 2023/956
Article 2 – paragraph 12

Text proposed by the Commission	*Amendment*
The Union may conclude agreements with third countries or territories with a view to taking into account carbon pricing mechanisms in such countries or territories for the purposes of the application of Article 9 as well as the mutual recognition of third-country accreditation bodies for the accreditation of a legal person to be a verifier pursuant to Article 18.;	***12.*** The Union may conclude agreements with third countries or territories with a view to taking into account carbon pricing mechanisms in such countries or territories for the purposes of the application of Article 9 as well as the mutual recognition of third-country accreditation bodies for the accreditation of a legal person to be a verifier pursuant to Article 18. ***The Commission shall actively engage with third countries on the interoperability of carbon pricing systems and the alignment of monitoring, reporting and verification (MRV) systems***;

Or. en

Amendment 24

Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) 2023/956
Article 3 – paragraph 1 – point 35

Text proposed by the Commission	*Amendment*
(35) ‘abusive practices’ are practices pursued by an actor for the purpose of	(35) ‘abusive practices’ are practices pursued by an actor ***reporting actual***

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.;	***emission values*** 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.;

Or. en

Amendment 25

Proposal for a regulation
Article 1 – paragraph 1 – point 3
Regulation (EU) 2023/956
Article 3 – paragraph 1 – point 35 a (new)

Text proposed by the Commission	*Amendment*
	(35a) 'pre-consumer scrap' means materials or objects generated unintentionally during the manufacturing process of a product, which are suitable for immediate reuse in another production process, and are not discarded or classified as waste under Directive 2008/98/EC.

Or. en

Amendment 26

Proposal for a regulation
Article 1 – paragraph 1 – point 5 – point c
Regulation (EU) 2023/956
Article 6 – paragraph 7 – subparagraph 1

Text proposed by the Commission	*Amendment*
The Commission shall monitor at Union level the impact of the CBAM on the Union internal market. Where the Commission, taking into account relevant information, including from customs import declarations and CBAM declarations, 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 about	The Commission shall monitor at Union level the impact of the CBAM on the Union internal market. Where the Commission, taking into account relevant information, including from customs import declarations and CBAM declarations, 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 about

these risks, it may inform competent authorities and customs ***aurhoties*** about these risks with a view of increasing their level of control, and it is empowered to adopt delegated acts in accordance with Article 28 to supplement this Regulation by laying 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.

these risks, it may inform 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 in accordance with Article 28 to supplement this Regulation by laying 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. ***Measures for additional reporting obligations for those goods and origins identified as a high risk for abusive practices, shall be designed in a proportionate manner, time-limited and supported by regulatory guidance.***

Or. en

Amendment 27

Proposal for a regulation
Article 1 – paragraph 1 – point 7 – point b – point 1
Regulation (EU) 2023/956
Article 9 – paragraph 5 – subparagraph 1

Text proposed by the Commission	*Amendment*
The Commission is empowered to adopt implementing acts, based on the principle of equivalence, concerning the conversion of the yearly average carbon price effectively paid in accordance with paragraph 1 of this Article and of the yearly default carbon prices determined in accordance with paragraph 4 of this Article into a corresponding reduction of the number of CBAM certificates to be surrendered.Those acts shall also govern the conversion of the carbon price expressed in foreign currency into euro at the yearly average exchange rate, the evidence required of the actual payment of the carbon price, examples of any relevant rebate or other form of compensation referred to in paragraph 1 of this Article,	The Commission is empowered to adopt implementing acts, based on the principle of equivalence, concerning the conversion of the yearly average carbon price effectively paid in accordance with paragraph 1 of this Article and of the yearly default carbon prices determined in accordance with paragraph 4 of this Article into a corresponding reduction of the number of CBAM certificates to be surrendered. Those acts shall also govern the conversion of the carbon price expressed in foreign currency into euro at the yearly average exchange rate, the evidence required of the actual payment of the carbon price, examples of any relevant rebate or other form of compensation referred to in paragraph 1 of this Article,

the qualifications of the independent person referred to in paragraph 2 of this Article and the conditions to ascertain that person's qualifications and independence. The qualifications mentioned in the previous paragraph shall include the granting of 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. ***The Commission is also empowered to regulate the conditions for deducting carbon credits under Article 6 of the Paris Agreement.*** Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).	the qualifications of the independent person referred to in paragraph 2 of this Article and the conditions to ascertain that person's qualifications and independence. The qualifications mentioned in the previous paragraph shall include the granting of 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. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 29(2).

Or. en

Amendment 28

Proposal for a regulation
Article 1 – paragraph 1 – point 17
Regulation (EU) 2023/956
Article 27a

Text proposed by the Commission	*Amendment*
(17) the following Article 27a is inserted:	***deleted***
'Article 27a	
Serious and unforeseen circumstances	
The Commission shall monitor the situation at Union level with a view to monitoring the impact of the CBAM on the Union internal market. Where the Commission, taking into account the relevant evidence, considers that the inclusion of a good in Annex I causes severe harm to the Union internal market due to serious and unforeseen circumstances related to the impact on the prices of goods, it is empowered to adopt	

delegated acts in accordance with Article 28 to remove this good from Annex I until those serious and unforeseeable circumstances have passed.;'

Or. en

Amendment 29

Proposal for a regulation
Article 1 – paragraph 1 – point 18 – point a
Regulation (EU) 2023/956
Article 28 – paragraph 2

Text proposed by the Commission	*Amendment*
2. The power to adopt delegated acts referred to in Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6), Article 27(6) ***and Article 27a*** shall be conferred on the Commission for a period of five years from [date of entry into force of this amending Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for further periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.	2. The power to adopt delegated acts referred to in Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6), ***and*** Article 27(6) shall be conferred on the Commission for a period of five years from [date of entry into force of this amending Regulation]. The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for further periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.

Or. en

Amendment 30

Proposal for a regulation
Article 1 – paragraph 1 – point 18 – point a
Regulation (EU) 2023/956
Article 28 – paragraph 3

Text proposed by the Commission	*Amendment*
3. The delegation of power referred to in Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6), Article 27(6) ***and Article 27a*** may	3. The delegation of power referred to in Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6), ***and*** Article 27(6) may be revoked

be revoked at any time by the European Parliament or by the Council.;	at any time by the European Parliament or by the Council.;

Or. en

Amendment 31

Proposal for a regulation
Article 1 – paragraph 1 – point 18 – point b
Regulation (EU) 2023/956
Article 28 – paragraph 7

Text proposed by the Commission	*Amendment*
7. A delegated act adopted pursuant to Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6)***,*** Article 27(6) ***and Article 27a*** shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.;	7. A delegated act adopted pursuant to Article 2(10) and (11), Article 2a (3), Article 6(7), Article 18(3), Article 20(5a) and (6) ***and*** Article 27(6) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and to the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.;

Or. en

Amendment 32

Proposal for a regulation
Article 1 – paragraph 1 – point 19
Regulation (EU) 2023/956
Article 28a

Text proposed by the Commission	*Amendment*
(19) the following Article 28a is inserted:	***deleted***
'Article 28	
Urgency procedure	
1. Delegated acts adopted under this	

Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.

2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in paragraph 7 of Article 28. In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.;'

Or. en

Amendment 33

Proposal for a regulation
Article 1 – paragraph 1 – point 19 a (new)
Regulation (EU) 2023/956
Article 30 – paragraph 5

Present text	*Amendment*
	(19a) In Article 30, paragraph 5 is replaced by the following:
5. Every two years from the end of the transitional period, as part of its annual report to the European Parliament and to the Council pursuant to Article 10(5) of Directive 2003/87/EC, the Commission shall assess the effectiveness of the CBAM in addressing the carbon leakage risk of goods produced in the Union for export to third countries which do not apply the EU ETS or a similar carbon pricing mechanism. The report shall in particular assess the development of Union exports in CBAM sectors and the developments as regards trade flows and the embedded emissions of those goods on the global market. Where the report concludes that there is a risk of carbon leakage of goods produced in the Union for export to such third countries which do not apply the EU	'5. Every two years from the end of the transitional period, as part of its annual report to the European Parliament and to the Council pursuant to Article 10(5) of Directive 2003/87/EC, the Commission shall assess the effectiveness of the CBAM in addressing the carbon leakage risk of goods produced in the Union for export to third countries which do not apply the EU ETS or a similar carbon pricing mechanism. The report shall in particular assess the development of Union exports in CBAM sectors and the developments as regards trade flows and the embedded emissions of those goods on the global market. Where the report concludes that there is a risk of carbon leakage of goods produced in the Union for export to such third countries which do not apply the EU

ETS or a similar carbon pricing mechanism, the Commission shall, where appropriate, present a legislative proposal to address that risk in a manner that complies with World Trade Organization law and that takes into account the decarbonisation of installations in the Union.	ETS or a similar carbon pricing mechanism, the Commission shall, where appropriate, present a legislative proposal to address that risk in a manner that complies with World Trade Organization law and that takes into account the decarbonisation of installations in the Union. ***The Commission shall also report on the progress and outcomes of its engagement with third countries on the interoperability of carbon pricing systems and the alignment of monitoring, reporting and verification (MRV) systems.'***

Or. en

(32023R0956)

Amendment 34

Proposal for a regulation
Article 1 – paragraph 1 – point 20
Regulation (EU) 2023/956
Article 30 – paragraph 6 – subparagraph 2 – point b – point ii

Text proposed by the Commission	*Amendment*
(ii) the scope of this Regulation, including of the possibility to extend the scope of this Regulation to additional goods at risk of carbon leakage;	(ii) the scope of this Regulation, including of the possibility to extend the scope of this Regulation to additional goods at risk of carbon leakage ***and newly split Combined Nomenclature (CN) codes that originate from CN codes listed in Annexes I and VIII to this Regulation***;

Or. en

EXPLANATORY STATEMENT

As foreseen in the original Regulation, the European Commission has come forward with this proposal following the transitional phase of the CBAM (2023–2025), taking into account the lessons learned from this period. The Commission proposes to expand the scope of the CBAM as of 1 January 2028 to include selected steel- and aluminium-intensive downstream products, thereby addressing the risk that emissions are shifted along the value chain rather than effectively reduced. Moreover, this extension aims to safeguard the competitiveness of EU producers by levelling the playing field with producers outside the EU. At the same time, the Commission proposes additional measures to prevent avoidance behaviour, including enhanced reporting requirements, improved traceability of goods, the integration of pre-consumer scrap in emissions calculations, and strengthened powers to address misdeclaration and abusive practices. The underlying principle of the CBAM remains strong: equal carbon pricing to both EU-based producers and those supplying the European market from abroad.

The Rapporteur considers this proposal in the broader context of ongoing geopolitical developments, in particular the exceptional and continuing impact of Russia's war of aggression against Ukraine, which deserves our utmost attention. While acknowledging the Commission's evaluation of the current regulatory framework, the Rapporteur stresses the need for ongoing monitoring and adaptability. At the same time, the proposal is assessed in light of wider economic and energy developments, including pressures on the prices of certain commodities, the need to safeguard the security of energy supply, and the importance of maintaining energy cooperation with like-minded neighbouring countries.

Acknowledging the risk of carbon leakage in downstream sectors, the Commission proposed a list of 180 products to be added to the current CBAM scope. During the stakeholder consultation phase, the Rapporteur notes numerous requests from sectors, also beyond aluminium and steel sectors, to further expand the list. The Rapporteur supports the Commission's approach, which relies on quantitative criteria, recognised EU databases, and follows the methodology used for the original CBAM. Product selection is based on an assessment of individual goods' carbon leakage risk, their climate relevance, and the technical feasibility of inclusion. Carbon leakage risk is measured using trade intensity and cost-push indicators, while an emissions floor excludes products with sectoral emissions below a defined threshold, ensuring that the CBAM covers only goods with the highest climate impact. Moreover, the Rapporteur considers that in the upcoming review, the Commission should consider the extension of the scope to include so-called split CN codes originating from the list of products included in the Commission proposal. At this stage, the Rapporteur does not propose extending the CN codes but wishes to continue discussions with other political groups on the basis of the methodology used by the Commission. This makes the CBAM predictable and increases certainty for investors.

The prospect of the CBAM's definitive application from 1 January 2026 has already begun to incentivise emission reductions and foster international debate on climate action. Regulatory stability is crucial to attract investment for the clean transition, and the newly introduced Article 27a on 'Serious and unforeseen circumstances' risks undermining the CBAM's resilience and predictability, as it could allow scope exclusions to become the target of sector-specific interests. The provision also raises institutional concerns, as the product scope of the CBAM is a core element of the Regulation and should not be subject to the delegated acts

procedure. For these reasons, the Rapporteur proposes to delete Article 27a in its entirety. Moreover, the Rapporteur considers that the discussions on the inclusion of international carbon credits for the CBAM compliance are premature and counterproductive. Furthermore, international carbon credits remain characterised by significant price volatility and variable environmental integrity, concerns that have been underlined in a recent assessment by the European Scientific Advisory Board on Climate Change. At the same time, the Rapporteur anticipates that, in collaboration with the Least Developed Countries (LDCs) there could emerge a shared interest in recognising other forms of carbon pricing as a complementary measure to accelerate decarbonisation and facilitate CBAM compliance. Therefore, a thorough assessment is required to evaluate the risks, data requirements, and broader implications of recognising carbon pricing mechanisms in LDCs as potentially compatible within the CBAM framework.

The Rapporteur proposes a series of measures to enhance the practical applicability of the CBAM Regulation and reduce uncertainties for operators. Among others, the Commission should publish default values for the newly included downstream goods in a timely manner before their application, using transparent and robust methodologies. At the same time, the Rapporteur highlights that the use of actual values should be the guiding principle. Furthermore, the Rapporteur proposes to define “pre-consumer scrap” and make explicit that the burden of proof lies with importers who wish to declare post-consumer scrap. Considering the newly introduced concept on abusive practices, the Rapporteur stresses the need for clearer rules; defining abusive practices more explicitly, specifying the parameters on which the Commission will monitor risks of such practices, clarifying the Commission’s mandate to adopt additional and ensuring safeguards and transparency in the exercise of these powers.

The Rapporteur stresses that the next CBAM revision, due by the end of 2027, should progressively extend coverage to indirect emissions in additional sectors, supporting a coherent EU carbon pricing framework and the Union’s climate-neutrality objectives. Given current disparities in indirect cost compensation across Member States, the Commission should assess technical and policy options, including a gradual phase-in of indirect emissions and a coordinated phase-out of compensation measures. The Commission’s review report from the transitional phase indicates that certain chemicals, polymers, and selected scrap materials could be feasibly included in the future, starting with products with simpler value chains or established EU ETS benchmarks and gradually expanding.

The Rapporteur is of the opinion that the proposed amendments create a coherent, technically feasible, and predictable framework, which balances the needs of short-term industrial competitiveness with long-term decarbonisation objectives, strengthens the EU’s carbon pricing framework, and incentivises a fair and effective reduction of greenhouse gas emissions across the Union and with its trading partners.

ANNEX: DECLARATION OF INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that he included in his report input on matters pertaining to the subject of the file that he received, in the preparation of the draft report, from the following interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register[1], or from the following representatives of public authorities of third countries, including their diplomatic missions and embassies:

1. Interest representatives falling within the scope of the Interinstitutional Agreement on a mandatory transparency register
APPLiA
ASOC
ArcelorMittal
Bellona
Hy24
CarbonChain
EUNIRPA
Fertilizers Europe
TRATON
Business for CBAM Coalition
UNIFE
Materia
Groupe SEB
Miele
Siemens
Cement Europe
European Aluminium
European Panel Federation
Salzgitter AG
Carbon Market Watch
EUROFER
Norsk Hydro
Green Trade Network
Semperit
Hyundai
France Industrie
TATA Steel
European Heating Industry
Stegra
Riva group
MEDEF
SSAB

[1] Interinstitutional Agreement of 20 May 2021 between the European Parliament, the Council of the European Union and the European Commission on a mandatory transparency register (OJ L 207, 11.6.2021, p. 1, ELI: http://data.europa.eu/eli/agree_interinstit/2021/611/oj).

InfluenceMap
VicatGroup
Upcatalyst
Upcatalyst
Hydnumsteel
Interfer
Heidelberg Materials
Evonik
Osrich Group
ENTSO-E
Ecocemglobal
Fertighy
2. Representatives of public authorities of third countries, including their diplomatic missions and embassies
-

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that he has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484 (https://www.europarl.europa.eu/data-protect/index.do), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.