



## The Carbon Border Adjustment Mechanism (CBAM) A Key Component of the EU Green Deal

CBAM is designed to help the EU achieve its goal of reducing greenhouse gas emissions by 55% by 2030. It seeks to align the cost of carbon for both EU-regulated products and imported goods and reduce carbon leakage as part of the EU Emissions Trading System (EU ETS).

## PHASES OF CBAM ROLLOUT

- **Transition Phase (2023 - 2025)**  
Importers report embedded emissions with no financial liability.
- **Definitive Phase (Starting in 2026)**  
Importers will purchase the required number of CBAM certificates with full integration into the EU ETS expected by 2034.

## TÜV RHEINLAND CBAM SERVICES



### Technical Support

Ongoing assistance during the transitional phase with developing and implementing an accounting methodology, ensuring emissions monitoring and compliance with CBAM requirements.



### Training

Customized training to enhance your team's knowledge and expertise on CBAM compliance.



### Pre-verification

A proactive service that assesses business operations and emissions reporting to ensure readiness for CBAM compliance.

## FREQUENTLY ASKED QUESTIONS (FAQ)

### Which sectors are covered by CBAM?

The CBAM will initially apply to imports of

- Cement
- Iron and Steel
- Aluminium
- Fertilisers
- Electricity
- Hydrogen

These sectors are chosen due to their high risk of carbon leakage and significant emissions.

### Why were these sectors chosen?

They pose the highest risk of carbon leakage and are responsible for substantial carbon emissions. By targeting these sectors, the EU aims to address direct greenhouse gas emissions produced during manufacturing.

### How does CBAM work?

Producers of carbon-intensive goods sold in the EU, such as steel, aluminium, and cement, must report the carbon emissions linked to their products. Importers will then purchase CBAM certificates to align with the EU carbon price. Manufacturers may calculate emissions themselves or rely on default values, which may require third-party verification. If the country of export has a carbon pricing mechanism, associated costs will be offset against CBAM payments.

### What's next for CBAM?

The European Commission will review the effectiveness of the CBAM after the transition period and consider expanding its scope to include additional products, services, and 'indirect' emissions from electricity use.

Contact TÜV Rheinland today  
for tailored solutions to meet your CBAM compliance needs!



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