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BUSINESSEUROPE'S INPUT ON CBAM SIMPLIFICATION

BusinessEurope welcomes the opportunity to provide input to the European Commission on simplifying the Carbon Border Adjustment Mechanism (CBAM). Ensuring a successful implementation of CBAM is crucial for achieving its objectives of levelling the playing field, fighting carbon leakage and supporting European industry in its decarbonisation efforts. Striking the right balance between simplification efforts and safeguarding the effectiveness of CBAM in tackling carbon leakage is essential. CBAM should be implemented in a manner that reduces reporting burdens on declarants as much as possible, while preventing circumvention. Simplification proposals for CBAM's implementation must be carefully designed to uphold the climate goals underpinning the mechanism and ensure that European producers in the sectors covered by CBAM remain competitive in global markets, advancing towards a more sustainable economy.

At the start of the CBAM implementation, BusinessEurope [conducted a survey and published a report](#) gathering initial experiences from economic operators. Drawing on insights from subsequent reporting periods, and further reflections among our members, we have refined our input. In addition to the report's recommendation, we urge the European Commission to adopt the following simplification proposals.

1. The 'De minimis' threshold

The current "de minimis" threshold of 150 EUR should be raised. Other types of alternative thresholds could be considered, including one based on the monetary value of shipments imported over a reporting year, one based on weight, and one based on carbon content. On the latter, we caution against using a carbon content threshold that fails to reduce the burdensome requirements for small shipments, where calculating emissions (and potentially also verifying those calculations) to prove compliance with the threshold would in practice require the same resources as if the shipment falls above a "de minimis" threshold and is subject to CBAM reporting.

We suggest that if a threshold based on the carbon content of the product is put in place, it should be based on predetermined default values.¹

2. Use of default values during the transition period

Ensure that the guidance included in paragraph 76 of the Commission's [updated FAQ](#) from December 2024 are implemented by national CBAM authorities in a harmonised manner, to allow companies to use default values during the rest of the transition period if they have undertaken all reasonable efforts to obtain the actual emissions data from their supplier or producer. To provide predictability for economic operators, National CBAM authorities should formalise their policies on

¹ Although the revision of the Union Customs Code foresees the elimination of the "de minimis" threshold for customs purposes we believe this solution would be extremely detrimental for economic operators in the case of CBAM.



accepted declarations of efforts, and the Commission should promote a standardized and harmonized approach across Member States. This would not only enhance the level playing field for companies operating in different Member States but also support businesses that report CBAM obligations in multiple jurisdictions.

3. Reporting periods

Allow companies to submit CBAM reports every six months rather than quarterly and extend the deadline to submit a CBAM report to two months after the end of each reporting period. This would help reduce costs, allow more time for engagement with suppliers, and improve the reporting accuracy without undermining the integrity of the mechanism.

4. Authorisation of AEOs as CBAM Declarants

To avoid unnecessary bureaucracy, companies with Authorised Economic Operator (AEO) status should automatically qualify for authorisation as CBAM Declarants. Many EU-based companies already hold AEO status, having met criteria that not only encompass but often exceed those required for CBAM Declarants. Recognizing AEO status for CBAM authorisation would save significant time and resources for both businesses and national competent authorities. Furthermore, AEOs are already subject to rigorous compliance requirements and oversight by customs authorities. Introducing additional procedures for these companies to become CBAM Declarants would therefore impose an unnecessary burden.

5. Other simplification measures

Other measures that should be taken include the following:

- Remove the obligation for importers to report emissions data for EU/EFTA origin precursors under CBAM. This requirement creates unnecessary administrative burdens and leads to potential double taxation for European producers who already report emissions under the EU ETS.
- Allow CBAM representatives (including clearing agents, customs brokers and other firms) to act as company representatives for CBAM. Currently, they are required to serve as indirect representatives, which has led to resistance to represent companies on CBAM matters. This change is particularly important for SMEs, who may rely on these representatives for support.
- The Commission should intensify engagement with the EU's key trading partners on the implementation of CBAM, while providing greater support and assistance notably to developing countries. This is essential to address the challenges faced by the EU's trading partners and continued active outreach efforts to ensure they understand CBAM and can comply with its requirements.

In particular, the EU should engage with UK authorities on UK CBAM and the implementation of EU CBAM in Northern Ireland. It remains unclear how the



EU and UK CBAMs will operate together and impact businesses trading in Northern Ireland.² In addition, the EU should incorporate existing customs practices with adjacent countries based on the Union Customs Code into the CBAM framework to facilitate trade and ensure streamlined procedures.

² See [BusinessEurope's position paper on EU-UK relations](#).