

EU's Carbon Border Adjustment Mechanism (CBAM)

The European Union's (EU) Carbon Border Adjustment Mechanism (CBAM) requires foreign producers to measure, monitor, and report greenhouse gas (GHG) emissions embedded in imported products. Fundamentally, CBAM will subject foreign manufacturers to the same price per ton of embedded carbon emission limits that are imposed on domestic manufacturers under the EU's Emissions Trading System (ETS).

Industries required to report in the first phase of CBAM include cement, aluminum, iron and steel, electricity, fertilizers, and hydrogen, although this represents a small fraction of sectors that are already included in the ETS.

The CBAM regulation entered into force in May 2023. Therefore, the first reporting phase of the CBAM regulation begins October 1, 2023, with importers required to submit their first reports by January 31, 2024, for the 2023 fourth-quarter period. The purchase of CBAM certificates (and therefore payments) begins January 1, 2026.

To comply with CBAM, importers (declarants) must register with customs authorities of EU member states and provide details about the type and quantity of goods and the embedded GHG emissions in them. Importers are then required to purchase CBAM certificates corresponding to the declared emissions that are above the limits set in the rules for the product type. An independent accredited verifier must verify the declaration's accuracy. By May 31 each year, declarants must surrender CBAM certificates equivalent to their declared and verified embedded emissions.

EcoEngineers offers a range of expertise to help you understand the potential impacts of CBAM. Our team is highly trained in carbon accounting frameworks and reporting structures unique to the regulatory compliance and reporting requirements of climate regulations in the EU.

Industries Required to Report:

- Cement
- Aluminum
- Iron and Steel
- Electricity
- Fertilizers
- Hydrogen

Our Services:

- CBAM Registration
- Compliance
- Regulatory Insight
- Improvement Planning
- Interface with Regulatory Authorities
- Emission Data Collection and Organization
- Life-Cycle Analysis (LCA)
- Cost-Benefit Analysis

Our capabilities include:

- Compliance - CBAM registration, collection of emissions data, preparing reporting forms, and alternate emissions calculations from the country of origin.
- Regulatory Insight - Consult with the European Commission and other agencies responsible for CBAM enforcement.
- Improvement Planning - Emissions reduction strategies and cost-benefit analysis.

About EcoEngineers

Eco is a consulting, auditing, and advisory firm with an exclusive focus on the energy transition. From innovation to impact, we help you navigate the disruption caused by carbon emissions and climate change. We help you stay informed, measure emissions, make investment decisions, maintain compliance, and manage data through the lens of carbon accounting. Our team of engineers, scientists, auditors, consultants, and researchers live and work at the intersection of low-carbon fuel policy, innovative technologies, and the carbon marketplace.

Eco was established in 2009 to steer low-carbon fuel producers through the complexities of emerging energy regulations in the United States. Today, our global team is shaping the response to climate change by advising businesses across the energy transition.

Together, we can create a world where clean energy fuels a healthy planet.

Navigating the Energy Transition



- Asset Development
- Life-Cycle Analysis
- Compliance
- Regulatory Engagement



- Validation & Verification
- Quality Assurance Programs
- Third-Party Engineering Reviews



- Interactive Workshops
- Market Outlooks
- Carbon Literacy

For more information about how EcoEngineers can help with your CBAM reporting, compliance, and regulatory engagement needs, please contact:

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