

# Simplifying The EU CBAM Mechanism – The Commission Releases Its Proposals

Article By:

Valerio Giovannini

---

As part of the so-called Omnibus 1 package, the European Commission has [proposed a regulation](#) (with [annex](#)) to amend several parts of the Carbon Border Adjustment Mechanism (CBAM) Regulation, Regulation (EU) 2023/956.

The most significant changes include:

- **Introduction of a mass-based threshold set at 50 tonnes of net mass**, excluding electricity and hydrogen, on a cumulative basis per calendar year, replacing the previous “de minimis” rule, which was set at €150 per consignment. If approved, the new rule would exempt the vast majority of importers (the Commission estimates the 90% of importers) from CBAM obligations, while, according to the Commission’s proposal, still ensuring that more than 99% of embedded emissions remain within the scope of the CBAM.
- **Delayed obligation to purchase CBAM certificates**: Importers will only be required to purchase CBAM certificates starting in 2027 for emissions embedded in goods imported during the year 2026. It is important to note that the financial obligations will still begin in January 2026, as provided by Regulation (EU) 2023/956. However, while the financial obligations will apply, the purchase of certificates will not be mandatory in 2026 and will only become mandatory starting in 2027.
- **Revised deadline for emissions reporting**: The deadline for surrendering via the CBAM registry CBAM certificates would be moved to 31 August 2027, instead of the original 31 May 2027 deadline, as indicated in the initial proposal.

Additionally, the proposal introduces the possibility for authorized CBAM declarants to **claim a carbon price paid in a third country**, rather than only the country of origin, as was previously required.

Other notable changes include:

- Modifications to the emission calculation to **facilitate the calculation of embedded emissions for aluminium and steel downstream goods**.
- The addition of **electricity** to the list of CBAM goods for which **only direct emissions** are to be considered in the calculation of embedded emissions.

Finally, the Annexes contain several simplifications to the embedded emission calculation, such as default values or precursors produced in the EU, to facilitate reporting obligations.

It's important to remember that this is the Commission's proposal, **and not yet an adopted law**. The European Parliament and the Council will now need to develop their positions and agree on a final text. Therefore, the provisions outlined above are subject to change in the coming weeks.

We are monitoring these regulatory changes to prepare companies for compliance and can assist in influencing the law-making process where necessary.

© Copyright 2025 Squire Patton Boggs (US) LLP

---

National Law Review, Volume XV, Number 58

Source URL: <https://natlawreview.com/article/simplifying-eu-cbam-mechanism-commission-releases-its-proposals>