

CBAM

IMPLEMENTATION OF THE DEFINITIVE PHASE

INTRODUCTION

The Carbon Border Adjustment Mechanism (CBAM) entered into application on 1 October 2023 with a transitional phase, before the start of its definitive phase in January 2026. While the definitive regime introduced new compliance obligations, the sales of CBAM certificates will begin in February 2027 allowing an initial implementation period for companies to adapt to the new system. The first annual CBAM declaration and the corresponding surrender of certificates for goods imported in 2026 will be due by 30 September 2027.

BusinessEurope has consistently supported the objective of CBAM while stressing that its implementation should remain proportionate, workable for companies and minimise unnecessary administrative burden. CBAM is an essential complement to the EU Emissions Trading System (EU ETS), addressing risks of carbon leakage and circumvention, while safeguarding the environmental integrity and competitiveness objectives of the EU's climate policy framework.

With CBAM now in its definitive phase, this fact check aims to identify the main challenges faced by European companies during the first months of full implementation. The objective is to gather concrete feedback from members on the practical difficulties encountered and to identify possible adjustments to the functioning of the system.



KEY CHALLENGES

1. ACCESS TO RELIABLE DATA

During the first months of the transitional phase, only around 12% of CBAM reports were based on actual emissions, while approximately 80% relied on default values¹. While the use of actual emissions values has increased over time per European Commission's data², access to actual data remains one of the main challenges during the first months of the definitive phase. The reliance on default values can lead to importers paying significantly more than their actual carbon exposure, as the default values include a deliberate mark-up.

There are several factors explaining the lack of actual emissions data. First, many suppliers outside the EU continue to face difficulties understanding the CBAM complex methodology or lack the technical capacity to calculate emissions. In some cases, suppliers are not aware of their own emissions footprint due to the absence of emission calculation frameworks in their home countries, while in others they are reluctant to share production-level data, viewing it as commercially sensitive. SMEs, in particular, face challenges in obtaining emissions data from suppliers for smaller exports, as the effort and cost associated with calculating and reporting such data often outweigh the value of the export transactions. Furthermore, complex, multi-layered supply chains involving many manufacturing steps create further information gaps around acquiring actual data, making it difficult for importers to trace and report accurately.

To avoid unnecessary disruptions to supply chains and ease reporting obligations, BusinessEurope considers that greater support is needed during this initial implementation period. In particular, the European Commission should facilitate the collection and verification of actual emissions data. It should also make the existing possibility of using default values operational and accessible, while further refining them, where appropriate, to ensure that default values remain realistic and proportionate, without undermining their objective of delivering effective carbon leakage protection to the relevant sectors.

2. PRICE UNCERTAINTY

Companies face significant uncertainty regarding their financial exposure. The first quarterly CBAM certificate price was published on 7 April 2026, but the lack of clarity regarding the rules for the purchase of certificates as well as the deduction of third country carbon pricing that are still missing, leave importers unable to determine their CBAM liability. Although certificates for 2026 imports cannot be purchased until 1 February 2027, the ex-post determination of the applicable price makes it difficult for importers to determine their CBAM cost at the time goods are imported.

This lack of predictability creates considerable challenges for contract negotiations, pricing strategies, hedging and cash-flow planning. Since certificate prices are published after the start of the relevant quarter in 2026 and on a weekly basis as of 2027, companies are unable to accurately

¹ [Carbon Border Adjustment Mechanism \(CBAM\) implementation - a BusinessEurope survey - BusinessEurope](#)

² [Report on the application of the Regule Carbation on thr Adjustment Mechanism, European Commission.](#)

anticipate the CBAM costs or incorporate them into their commercial decisions. As a result, several companies reported difficulties in negotiating with suppliers, especially looking at long-term supply contracts, where contractual mechanisms for passing through CBAM costs are absent or unclear.

BusinessEurope therefore calls for a more predictable and business-friendly approach. In particular, the European Commission should ensure that the rest of implementing rules and technical guidance necessary for compliance are adopted and published sufficiently in advance enhancing predictability for business relations.

3. LACK OF ACCREDITED VERIFIERS (VERIFICATION ISSUE)

One of the main concerns raised by members relates to the availability of accredited verifiers. While the accreditation process started in September 2026, significant uncertainty remains regarding whether a sufficient number of verifiers will be available in time to meet demand, considering that the surrender of CBAM declarations is due to 30 September 2027. If accredited verifiers are not available when required, importers may have no practical alternative but to rely on default values despite their efforts to obtain actual emissions data. This risk is likely to be particularly acute in certain countries where the number of verifiers accredited for specific product categories remains limited, creating uneven implementation across trading partners and putting European importers in those industries at a competitive disadvantage.

BusinessEurope therefore calls for a pragmatic approach during this initial implementation period. In particular, the European Commission and the competent national authorities should provide greater flexibility by allowing the use of actual emissions data whose verification is still pending provided that CBAM's effectiveness is not weakened, while ensuring that the accreditation process is completed as quickly as possible. Verification should stay proportionate to risk and materiality and should avoid duplicating evidence already verified through existing CBAM or customs processes.

4. ADMINISTRATIVE BURDEN

Many members report that compliance with CBAM entails a significant administrative burden for companies, making the reporting process both time-consuming and resource-intensive. Meeting CBAM requirements currently requires extensive engagement with suppliers across multiple stages of the value chain, as well as substantial internal work to collect, verify and manage product and emissions data. In practice, companies must contact their suppliers, respond to requests for information, prepare formal communications, collect and consolidate data, and complete reporting obligations. These requirements are coming on top of an already demanding regulatory landscape, adding to the cumulative burden created by other EU legislation. To comply with these obligations, companies have often had to recruit additional staff, rely on external consultants or specialised software, or reallocate existing employees to CBAM-related tasks. While outsourcing can help address the complexity of the reporting requirements, it generates additional costs, particularly for SMEs.

Members have also noted that CBAM methodology remains excessively complex and may lead to situations where the costs associated with CBAM compliance are disproportionate to the economic value of the imported goods. The calculation formula could be made more user-friendly, while ensuring that the mechanism remains proportionate and does not create excessive burden for

European businesses. Other areas for further streamlining include the introduction of uniform templates, intuitive digital tools, reduced duplication of information, and targeted assistance for SMEs, while ensuring that substantive reporting, verification or anti-circumvention requirements are maintained.

5. INSUFFICIENT INTEGRATION WITH NATIONAL CUSTOMS SYSTEMS

Members report significant challenges arising from the limited integration between the CBAM Registry and national customs systems. The current framework requires businesses to manage two separate compliance processes, involving different datasets, reporting obligations and timelines, thereby increasing administrative complexity. Members also report significant differences between Member States in the practical access to customs import data. In some Member States, businesses can download import data linked to their EORI number and, in some cases, pre-filter it for CBAM commodity codes. In other Member States comparable access to import data is not available. While the EU Customs Data Hub could help address these inconsistencies over time, it remains important to ensure that businesses have consistent and user-friendly access to their import data, including the ability to identify and monitor imports subject to CBAM.

Communication from national customs authorities is also not always sufficiently clear or operational. For example, when companies receive notifications indicating that a CBAM declaration is missing, the relevant customs declaration is not always identified, making it difficult to determine which import transaction is concerned and how to rectify the issue. Members also point to insufficient coordination between the various authorities involved in CBAM implementation, including customs administrations, competent national authorities and the European Commission. As customs authorities are required to implement an increasing number of EU regulatory requirements, close and continuous cooperation between public authorities and the business community is essential to ensure a smooth and consistent implementation of the mechanism. Furthermore, harmonising digital portals, eliminating duplicate data submissions and simplifying the CBAM Registry would significantly reduce the administrative burden on both companies and customs authorities.

Another concern relates to return shipments and other non-economic import cases. Where goods are re-imported after temporary export, returned for repair, rejection, warranty claims or similar non-commercial reasons, no additional carbon leakage risk arises. Applying full CBAM reporting obligations in such cases would create administrative burden and costs without environmental benefit. BusinessEurope therefore considers that clear rules are needed to ensure that returned goods and comparable customs cases are not subject to CBAM financial obligations, provided that no new production or transformation relevant for embedded emissions has taken place.

Members also report concerns regarding the classification of CBAM within the customs framework. CBAM should not be treated as a prohibition and restriction measure where this limits the use of customs simplifications or special customs procedures. Such an approach would create disproportionate operational consequences and go beyond the environmental objective of the mechanism.

More generally, CBAM implementation increasingly depends on trusted regulatory data and digital interoperability across international supply chains. Automated interfaces, harmonised data models and efficient system-to-system communication should enable the reuse of verified data, avoid redundant reporting and align CBAM information flows with customs processes and other EU regulatory data requirements.

6. LACK OF GUIDANCE AND COMMUNICATION

Many members consider the existing rules and guidance to be unclear or insufficient. The documentation provided by the European Commission, as well as the reporting requirements imposed on companies, are often perceived as complex and difficult to navigate. They are also significant delays between new rules coming in and the updating of the relevant guidance documents, as well as a lack of specific worked examples for all sectors covered by CBAM. In addition, national authorities are not always able to provide the necessary clarification or support to address companies' practical questions.

Another major challenge relates to suppliers located outside the EU, which often lack access to a dedicated regulatory authority or support structure to guide them through CBAM requirements. This places European companies in a difficult position, as they are required to assist their suppliers in understanding and complying with legislation that they themselves may not always fully understand, creating an additional administrative burden.

Furthermore, foreign suppliers often perceive CBAM as a trade barrier rather than as a climate regulation. As they do not receive the requirements directly from EU authorities, they may interpret CBAM-related requests as demands imposed by their European customers, potentially creating tensions in commercial relationships. This can also affect suppliers' readiness and ability to comply, as they may not have received sufficient information or sufficient time to establish the necessary processes and data collection frameworks. Finally, when suppliers fail to meet CBAM requirements, European businesses bear the associated risks, including potential penalties, despite often having limited ability to independently verify their suppliers' compliance.

Companies therefore require stronger and clearer support from authorities at all levels, including multilingual trainings and dedicated helpdesks. The European Commission and Member State authorities should provide more targeted guidance and organise additional webinars and outreach activities to directly support companies, both within the EU and in third countries, in understanding and fulfilling their CBAM obligations.

7. IMPACT ON SUPPLY CHAINS

As a direct consequence of the challenges outlined above, many companies anticipate potential disruptions to their supply chains. In 2024, more than 60% of European companies expected CBAM to influence their sourcing decisions or business models³, a trend that has continued since then. Many companies indicated that they may increasingly prioritise suppliers based on their ability to provide reliable emissions data. Others anticipated higher compliance costs, the need to identify alternative suppliers, and disruptions to established sourcing patterns. A distinction should, however, be made between disruption caused by administrative or implementation problems and sourcing changes that reflect genuine differences in the embedded emissions of competing products. For instance, some companies indicated that CBAM could influence sourcing decisions by strengthening the competitiveness of EU production where carbon costs are more consistently reflected across competing products. At the same time, concerns remain regarding the competitiveness of EU products in export markets, where equivalent carbon pricing mechanisms are lacking. The absence of a permanent WTO-compatible solution for exports remains a fundamental flaw in the current design of CBAM and should therefore be addressed.

³ [Carbon Border Adjustment Mechanism \(CBAM\) implementation - a BusinessEurope survey - BusinessEurope](#)

In a very challenging and competitive business environment for European companies, it is even more urgent to address the implementation challenges identified above. We must ensure that CBAM achieves its objectives without unnecessarily disrupting established supply chains, while preserving effective carbon leakage protection.

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