

Carbon Border Adjustment Mechanism



The EU's environmental policy tool for fair carbon emissions pricing

On 1 January 2026, the definitive period of the Carbon Border Adjustment Mechanism (CBAM) entered into force after a coordinated deployment across all EU Member States.

1 What is carbon leakage?

Carbon leakage occurs when companies based in the EU move carbon-intensive production outside of the EU to countries where less stringent climate policies are in place, or when EU products are replaced by more carbon-intensive imports.

2 What is CBAM?

CBAM is a price adjustment tool applied to imports into the EU for designated goods based on their CO2 emissions in the production process outside the EU. The aim of CBAM is to prevent the risk of carbon leakage.

3 What products are impacted?

CBAM currently impacts carbon intensive goods covered by six sectors : aluminum, cement, iron and steel, hydrogen, electricity and fertilisers.

4 What are the requirements for importers?

Importers are now required to collect data on shipments of impacted goods, with a weight-based threshold for imports set at 50 tonnes of imported goods per importer per year. This is replacing the previous limit of €150 per consignment threshold.

5 When do CBAM reporting obligations begin?

On 1 January 2026, the Carbon Border Adjustment Mechanism (CBAM) entered fully into force after a coordinated deployment across all EU Member States.

6 Who is responsible for reporting?

Customers based in the EU who are importing impacted goods can submit their CBAM reports using the [CBAM Transitional Registry](#). UPS will not report CBAM goods in scope on behalf of EU established importers. For non-EU established customers, the indirect representative or Importer of Record is responsible to report. UPS, as an indirect customs representative, is responsible for reporting emissions for non-EU established importers.

7 What are the CBAM obligations for the definitive period?

From January 2026 the following CBAM policies will apply

- Importers must be authorised to import CBAM goods
- CBAM applies simplification for importers below 50 tonnes. Those do not need to be authorised but need to use specific TARIC document type code
- Emissions related to CBAM goods will be measured in 2026 and a subject of payments for CBAM certificates in 2027

Emission calculation in 2026 will be using default values, and default free allocation.

Sale of certificates and declaration are postponed to 2027.

8 Do I need to register or subscribe somewhere for CBAM reporting?

Access to the registry should be requested through the National Competent Authority (NCA) of the Member State where the importer is established. You can check the list [here](#).

9 Where can I find more information about CBAM?

You can find more information at the following links:

- [Carbon Border Adjustment Mechanism](#) (europa.eu)
- [Commission adopts detailed reporting rules for the Carbon Border Adjustment Mechanism's transitional phase](#) (europa.eu)
- [European Commission CBAM leaflet](#)