



What's Next for Carbon Border Adjustment Mechanism (CBAM) Compliance?

Practical Guide for
Producers • Traders • Importers



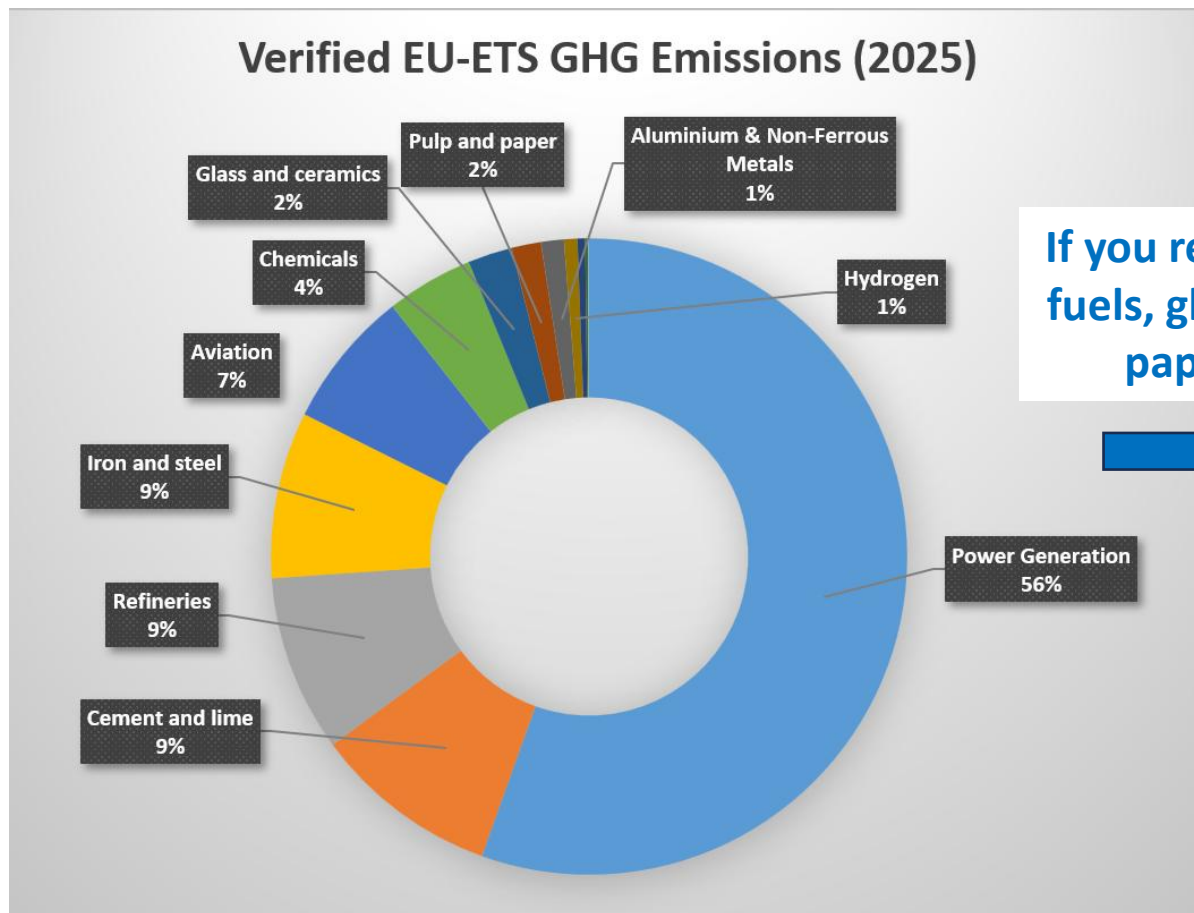
- Overview of CBAM Program
- Obligations and Compliance Requirements
- Embedded Emissions and Accounting Methodology
- Recent Updates
- How to Ensure Readiness



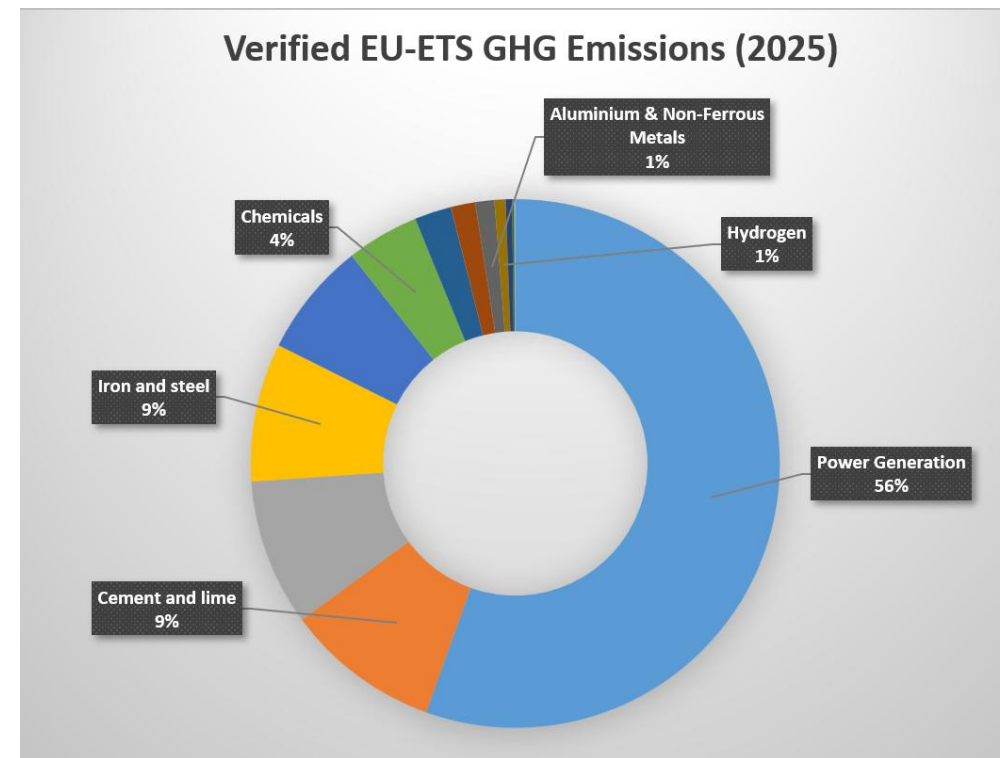
- **Carbon Border Adjustment Mechanism (CBAM) is**
 - **Environmental policy instrument** designed to support the EU climate ambitions: “Fit for 55” by 2030 and climate neutral by 2050.
 - Seeks to address the risk of carbon leakage: all products, whether imported or produced in EU, are subject to an **equivalent carbon price**.
- **Key compliance date and activities for 2026 and beyond (“Definitive Regime”):**
 - **1 September 2026**: CBAM verifiers can apply for access to CBAM Registry.
 - **1 February 2027**: member states start selling CBAM certificates to authorized CBAM declarants established in their states.
 - **30 September of each year, starting 2027**: authorized CBAM **declarants shall surrender** via the CBAM registry the **CBAM certificates that corresponds to the embedded emissions declared** in accordance with Article 6(2), point (c), and **verified** in accordance with Article 8, **for the calendar year preceding** the surrender.
 - **2034**: No free allocations, all embedded emissions integrated in EU-ETS system.



CBAM is Fundamental to EU Decarbonization Efforts



If you remove
fuels, glass, &
paper



Cement



Electricity



Iron & Steel



Aluminum



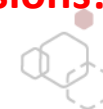
Fertilizer



Hydrogen

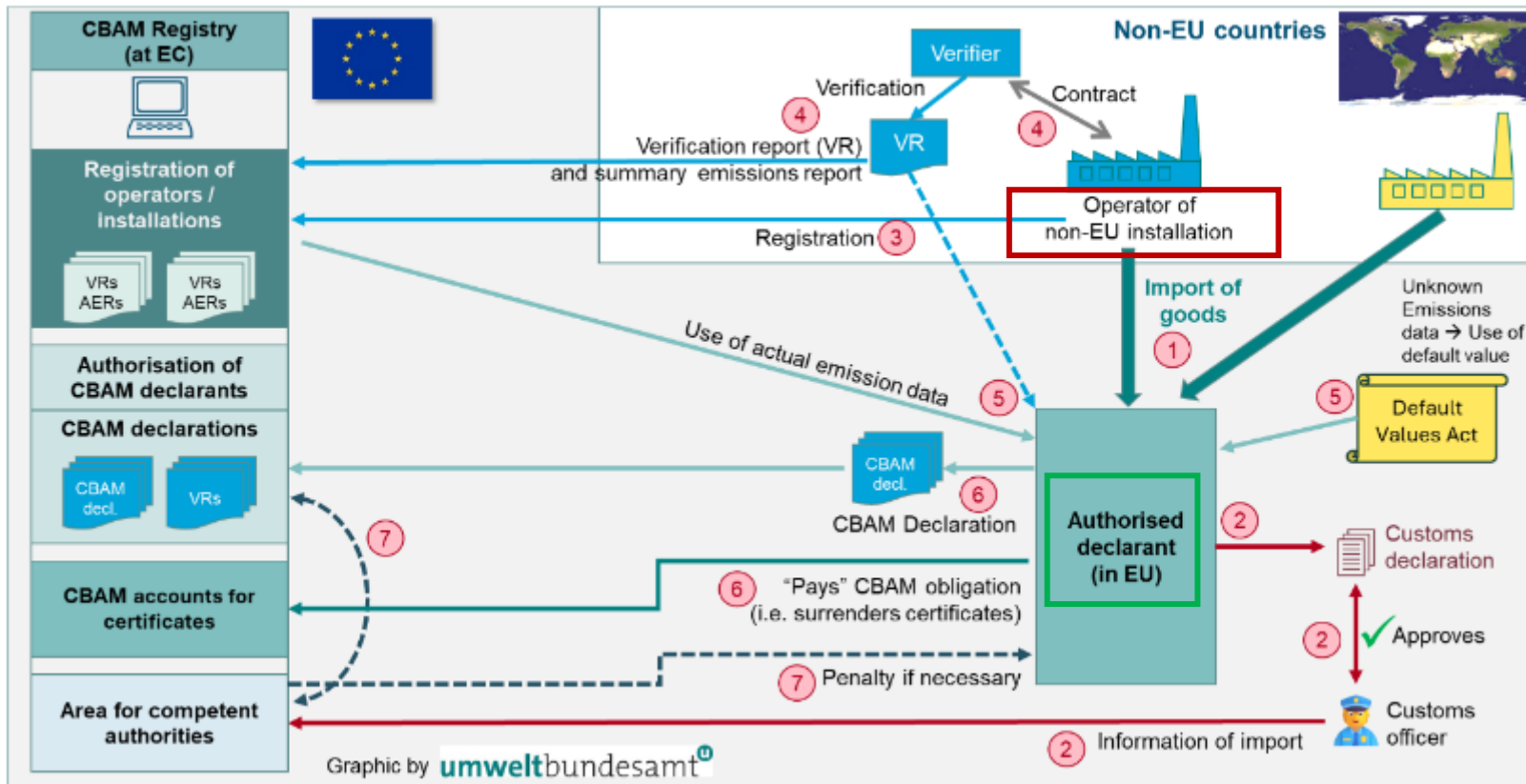
CBAM sectors accounts for 80% of EU-ETS emissions!

Adapted from [EU ETS Emissions Data — Verified Emissions & Allocations by Country and Sector](#)



Responsibilities of Producers, Importers, & Traders

EU Guidance Document No. 1: Introduction to CBAM Concepts



Emissions

- **Monitor** and **calculate** embedded **emissions** in accordance with the CBAM methodology;
- Provide information to an accredited **verifier**.

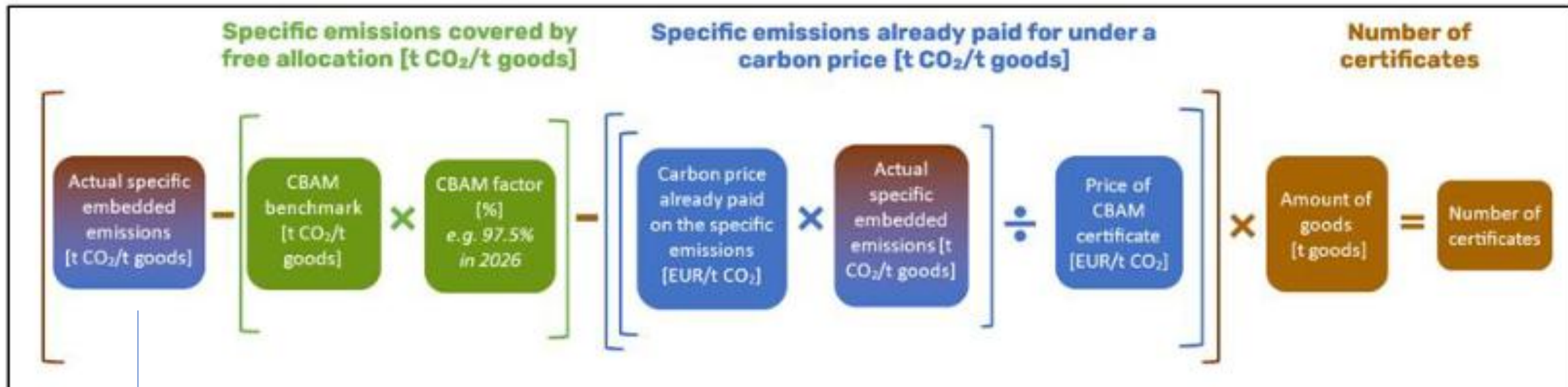
Trading

- Retrieve the actual verified emissions from the CBAM Registry;
- **Complete** and **submit** their CBAM **declaration**;
- **Buy** CBAM **certificates** from their NCAs and **surrender** for compliance each year.

Exemptions: De minimis (50 tonnes annual), military use, electricity/H2, countries apply EU-ETS, electricity via market coupling.

How are the Obligations Determined

[EU Guidance Document No. 1: Introduction to CBAM Concepts](#)



Direct Emissions:

+

Indirect Emissions:

Emissions associated with precursor and product manufacturing (fuel combustion, flaring, venting, fugitive emissions)

Purchased electricity

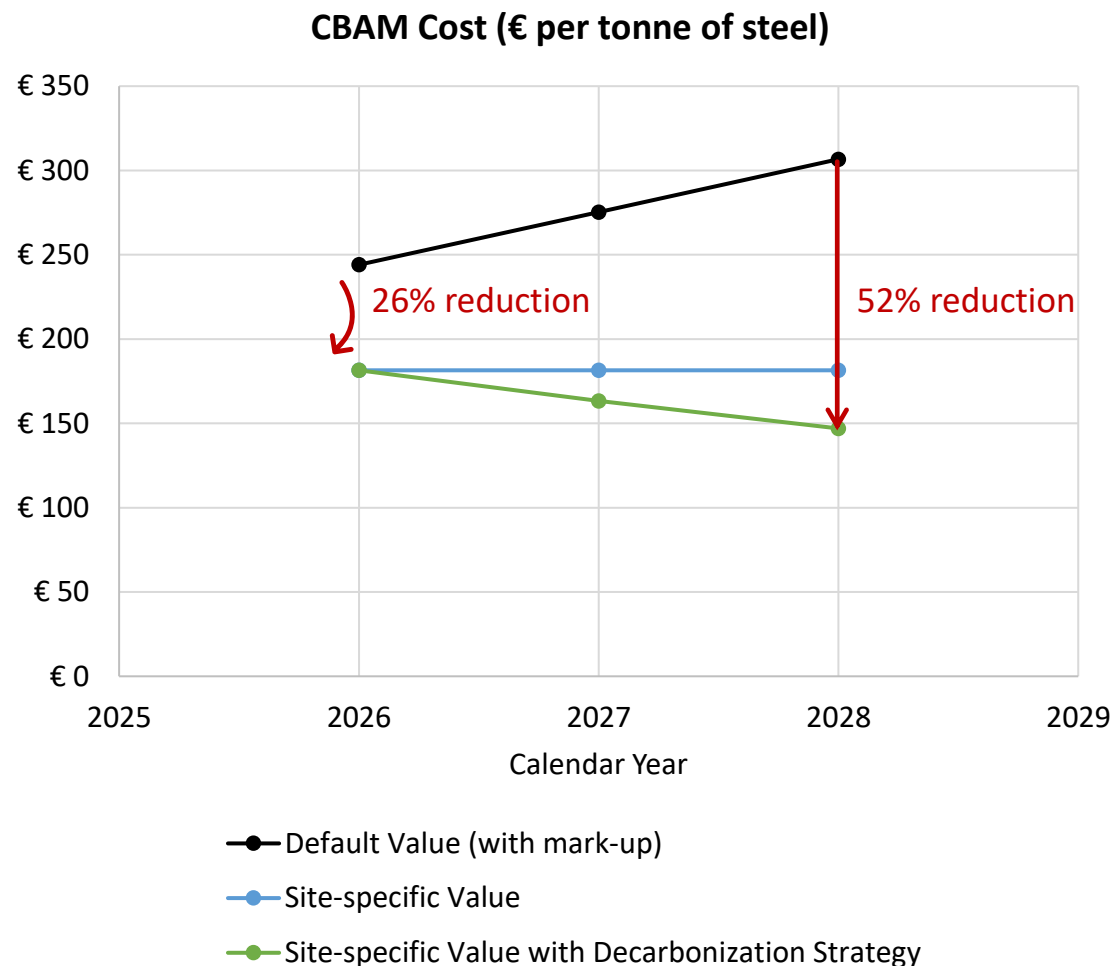
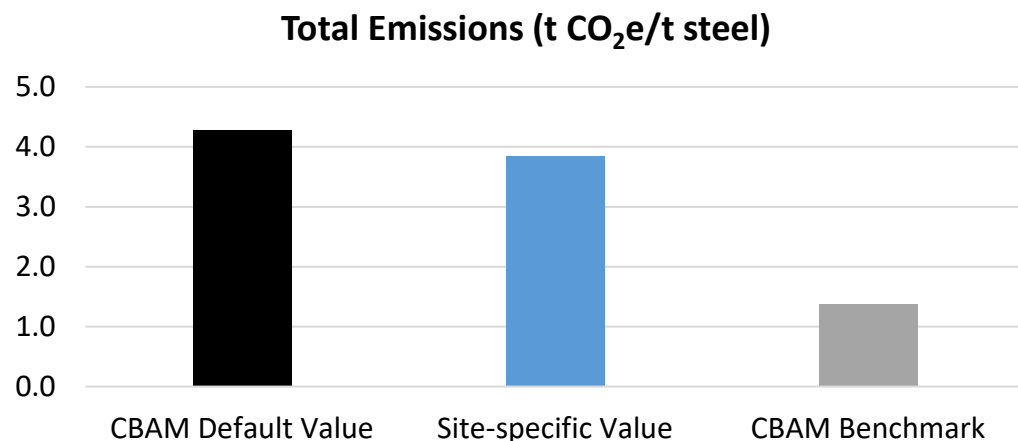
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Embedded Emissions
Subject to Verifications



What If I Apply Default Values (No Verification Required)

- Average steel producer in India selling to EU market
- CBAM readiness enables >25% cost savings by avoiding reliance on CBAM default values
- Design and implementation of decarbonization strategy further reduces CBAM exposure and long-term costs



- **Financial impact:**
 - **Fines for authorized declarants** = 100 Euros per tCO₂e x unsurrendered emissions. Does NOT take away the obligations
 - **Fines for unauthorized declarants** = 300 to 500 Euros per tCO₂e x embedded emissions. Does release the obligations.
 - **Triggers** – fail to comply with annual surrender deadline, 50% quarterly holding rule (2027 onward)
- **Long-term tangible impact:** Market share, country entry, competitive disadvantages



CBAM Compliance - Which Zone are You In?



Understand your exposure, Take the Right Action. Stay Compliant.

RED ZONE

HIGH CBAM OBLIGATION

YOU ARE LIKELY IN THE RED ZONE IF:

- Your product is in CBAM scope.
- You import into the EU above the de minimis threshold (50 tonnes per year).
- You cannot provide valid embedded emissions data for the goods.
- You do not apply for derogations where applicable.

WHAT THIS MEANS

You must purchase and surrender CBAM certificates starting from 1 January 2026 based on verified embedded emissions.

WHAT YOU SHOULD DO

- Ensure accurate reporting during the transition period.
- Obtain reliable embedded emissions data.
- Work with suppliers to improve data quality.
- Plan for CBAM certificate purchases from 2026.

YELLOW ZONE

POTENTIAL RISK / ACTION NEEDED

YOU ARE LIKELY IN THE YELLOW ZONE IF:

- Your product is in CBAM scope.
- You are close to or just above the de minimis threshold.
- You have partial or unclear embedded emissions data.
- You are relying on supplier data that is not yet verified.

WHAT THIS MEANS

You may have a CBAM obligation in the future. Actions now can help you avoid moving into the Red Zone.

WHAT YOU SHOULD DO

- Assess product scope and import volumes.
- Engage suppliers to obtain complete emissions data.
- Improve data processes and documentation.
- Monitor regulatory updates and guidance.
- Prepare for potential financial impact from 2026.

GREEN ZONE

LOW / NO CBAM OBLIGATION

YOU ARE LIKELY IN THE GREEN ZONE IF:

- Your product is not in CBAM scope.

OR

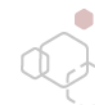
- Your imports are below the de minimis threshold (50 tonnes per year)
- You have zero embedded emissions (e.g. certain renewable electricity - based production) and can provide evidence.
- You qualify for and have obtained an applicable derogation.

WHAT THIS MEANS

You have no or low CBAM obligation. Continue to monitor and keep evidence.

WHAT YOU SHOULD DO

- Maintain evidence to support your status.
- Monitor changes in scope, thresholds, and rules.
- Reassess regularly.



The CBAM Readiness Workshop

From Policy Clarity to Practical Action

Focused industries – iron, steel, cement, aluminum, fertilizer, electricity, and hydrogen

A half day readiness workshop delivered virtually or onsite at your location.

The workshop agenda will take a deep dive into the following:

- Overview of CBAM Regulation
- CBAM Assessment Exposure
- Quantify Data Collection and Verification
- Engage Supply Chain
- Reporting Framework
- Optimize
- Q&A



Guidance Documents Released on August 14th

More comprehensive, transparent, and product-specific

- **Guidance No. 1: Introduction to CBAM Concepts**
 - **Guidance No. 2: Quick Guide for Non-EU Operators**
 - **Guidance No. 3: Calculation of Embedded Emissions**
 - **Guidance No. 4: Calculation of Free Allocation Adjustment**
 - **Guidance No 5 a-f: Sector Specific Guidance**
 - Guidance No. 5a - cement
 - Guidance No. 5b - hydrogen
 - Guidance No. 5c - fertilisers
 - Guidance No. 5d - iron and steel
 - Guidance No. 5e - aluminium
 - Guidance No. 5f - electricity
- **Monitoring, Reporting, & Verification Obligations**
 - **All products are considered precursors**
 - **CN codes replace production processes**
 - **Multi-functional processes (co-processing)**
 - **Mandatory aggregation of CN codes for iron & steel, aluminum, & N fertilizers**
 - **Functional unit, i.e. kg N instead of kg N fertilizers, or kg clinkers instead of kg cement**
 - **Conditions for using default values**
 - ✓ **Actual emission data not available**
 - ✗ **Minor data gaps – include estimation method in monitoring plan**
 - ✓ **Defaults for electricity emissions**
 - ✓ **Defaults for precursors are mandatory**



[“Guidance On CBAM Verification And Accreditation For Verifiers And National Accreditation Bodies”, Version 1.0](#)

For Verifiers

- **Verifying Emission Monitoring and Calculations**
 - Scope of CBAM
 - Embedded Emissions
 - Relevant Precursors
 - Embedded Free Allocations
 - Monitoring at the Installation
- **Verification Principles**
- **Verification Process**
- **Assessing Monitoring Plan**
- **Misstatement and Non-conformance**
- **Additional Topics & Verifier Requirements**

For ACBs

- **Accreditation Process**
- **Monitoring of Verifiers after Accreditation**
- **Administrative Measures**
- **Information Exchange**

Additional Guidance Documents:

- CBAM Registry (The O3CI Portal) Access Request Procedure for the Accredited Verifiers
- User Interface Manual: CBAM – Declarants Portal





EMPOWERING A SAFER, MORE SUSTAINABLE WORLD®

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CONTACT US FOR MORE DETAILS





Supplemental Information





Founded in 1986 in New York City, AmSpec has a proud history of providing quality testing, inspection, and certification services to its clients.

AmSpec operates through an extensive network of offices, inspection sites, and laboratories worldwide, located at key industrial centers, ports, or trade hubs.

AmSpec maintains a rigorous and ISO-accredited operational framework that guarantees quality and reliability of its services.

In 2023, TPG Rise Climate Fund acquired AmSpec with the goal to ensure quality control in the fast-growing new energy markets and accelerate global energy transition.

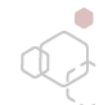
Since 2025, AmSpec has launched Business Assurance and Sustainability (BA&S) and Environmental Testing Branches to provide comprehensive and integrated solutions that help clients achieve their sustainability goals more effectively.

+7,200	69	349	77
EMPLOYEES	COUNTRIES/ TERRITORIES	ESTABLISHED LOCATIONS	RESIDENT/FIELD OFFICES

Company Overview



168 Energy & Chemicals Labs,
24 AGRI Labs, **10** Env Labs.



Embedded Emissions – Primary Concept

- **tonne of CO2e** means one metric tonne of carbon dioxide ('CO2'), or an amount of any other greenhouse gas listed in Annex I to the CBAM Regulation adjusted to the equivalent global warming potential of CO2.
- **Direct emissions** means emissions from the production processes of goods, including emissions from the production of heating and cooling consumed during the production processes, regardless of the location of the production of the heating and cooling.
- **Indirect emissions** means emissions from the production of electricity, which is consumed during the production processes of goods, regardless of the location of the production of the consumed electricity.
- **Embedded emissions** means emissions released during the production of goods, including the embedded emissions of precursor materials consumed in the production process.
- **Precursor** means any input material into a production process included in the list of goods set out in Annex I to the CBAM Regulation. I.e. precursors are materials (simple or complex goods) which themselves have embedded emissions not equal to zero and which are identified for monitoring purposes as being within the system boundaries for the calculation of embedded emissions of a complex good.
- **Simple goods** means goods produced in a production process requiring exclusively input materials and fuels having zero embedded emissions.
- **Functional unit** means the reference unit [usually tonnes, but not always] used for the calculation of embedded emissions in goods.



ANNEX I: List of goods and greenhouse gases/Fertilizers

CN code	Greenhouse gas
2808 00 00 – Nitric acid; sulphonitric acids	Carbon dioxide and nitrous oxide
2814 – Ammonia, anhydrous or in aqueous solution	Carbon dioxide
2834 21 00 – Nitrates of potassium	Carbon dioxide and nitrous oxide
3102 – Mineral or chemical fertilisers, nitrogenous	Carbon dioxide and nitrous oxide
3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus and potassium; other fertilisers; goods of this chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium	Carbon dioxide and nitrous oxide



State-of-play CBAM accreditation

Country / NAB	Agreed to provide CBAM accreditation	Ready to accept applications	Agreed to accredit third-country applicants	Already accepting third-country applications
Austria Akkreditierung Austria (AA)	Yes	Yes	No	No
Belgium Belgian Accreditation Council (BELAC)	Yes	Yes	No	No
Bulgaria Bulgarian Accreditation Service (BAS)	Yes	Yes	No	N/A
Croatia Croatian Accreditation Agency (HAA)	Yes	No	No	No
Cyprus Cyprus Organisation for the promotion of quality (CYS-CYSAB)	No	N/A	No	N/A
Czech Republic Czech Accreditation Institute (CAI)	Yes	No	No	No
Denmark Danak Den Danske Akkrediteringsfond (DANAK)	Yes	Yes	No	N/A
Estonia Estonian Accreditation Centre (EAC)	No	N/A	No	N/A
Finland Finish Accreditation Service (FINAS)	Yes	Yes	No	No
France Comité français d'accréditation (COFRAC)	Yes	No (20 August 2026)	Yes	No (20 August 2026)
Germany Deutsche Akkreditierungsstelle GmbH (DAKKS)	Yes	Yes	No	No
Greece Hellenic Accreditation System (ESYD)	Yes	No	Yes	No
Hungary National Accreditation Authority (NAH)	Yes	No (August 2026)	No	N/A
Ireland Irish National Accreditation Board (INAB)	No	N/A	No	N/A



State-of-play CBAM accreditation

Country / NAB	Agree to provide CBAM accreditation	Ready to accept applications	Agreed to accredit 3rd country applicants	Already accepting third-country applications
Italy Ente Italiano di Accreditamento (Accredia)	Yes	Yes	Yes	Yes
Latvia Latvian National Accreditation Bureau (LATAK)	Yes	Yes	No	No
Lithuania Lithuanian National Accreditation Bureau (LA)	Yes	Yes	No	No
Luxembourg Luxembourg Institute of standardisation, accreditation, safety and quality of products and services (ILNAS)	Yes	Yes	No	N/A
Malta National Accreditation Board Malta (NAB-MALTA)	No	N/A	No	N/A
Netherlands Raad voor Accreditatie (RvA)	Yes	Yes	Yes + Agreement with TK's TURKAK	Yes
Norway Norsk akkreditering (NA)	Yes	N/A	No	N/A
Poland Polskie Centrum Akredytacji (PCA)	Yes	Yes	Yes	Yes
Portugal Instituto Portugues de Acreditacao (IPAC)	Yes	No	No	N/A
Romania Romanian Accreditation Association (RENAR)	Yes	No	No	N/A
Slovakia Slovak National Accreditation Service (SNAS)	Yes	No (Oct 2026)	Yes	No
Slovenia Slovenska Akreditacija (SA)	Yes	No (Nov 2026)	No	N/A
Spain Entidad Nacional de Acreditacion (ENAC)	Yes	Yes	No	N/A
Sweden Swedish Board for Accreditation and Conformity Assessment (Swedac)	Yes	Yes	Yes + Agreement with UA's NAAU	Yes
Total	24	13	7	4

