



CBAM – WHAT'S NEW & WHAT'S NEXT?

MAITRAYEE BHOWMICK-JEWKES

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WELCOME

HOUSEKEEPING & FORMAT



MAITRAYEE BHOWMICK-JEWKES

SENIOR REGULATORY ANALYST



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AGENDA

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CBAM RECAP

KEY REMINDERS

CBAM DEFINITIVE PHASE

Started on 1 January 2026.

FULL IMPLEMENTATION

CBAM transitions from reporting to financial obligations for EU importers.

CERTIFICATE REQUIREMENT

Importers must buy CBAM certificates to cover embedded emissions in imported electricity, priced like EU ETS allowances.

AUTHORIZATION NEEDED

Importers or Customs Representatives must become "Authorised CBAM Declarants" by applying to national authorities.

The deadline to register was 31 December 2025.

WHAT'S NEW?

EC PUBLISHED GUIDANCE: REGULATIONS FOR THE DEFINITIVE PHASE

KEY POINTS INTRODUCED ON 17 DECEMBER 2025

1. Provisional versions of the Implementing Acts are now available on the CBAM website.
2. The EC has published a Review Report on the application of the CBAM Regulation (non-legal text), in which they acknowledge that UK electricity producers pay a carbon price under the UK ETS and a Carbon Price Support (CPS).

The EC is expected to publish an Implementing Act in Q1/2026 on how third country carbon pricing mechanisms will be recognised under the EU CBAM. This regulation should provide the details of how the UK ETS and CPS will be recognised in practice.

3. The EC has also published a proposal for a Regulation Amending Regulation (EU) 2023/956 as regards the extension of its scope to downstream goods and anti-circumvention measures.

This proposal includes amendments to electricity rules which will be subject to further discussions and agreement between the European Parliament, the Council and the EU Commission over the course of 2026.

WHAT'S NEW?

EC PUBLISHED GUIDANCE: REGULATIONS FOR THE DEFINITIVE PHASE

KEY POINTS INTRODUCED ON 17 DECEMBER 2025

4. The UK Government and EC jointly announced that by the next EU-UK Summit (expected mid-2026), the aim is to conclude the negotiations on linking the EU and UK Emissions Trading Systems.

The UK and the EC have also concluded exploratory talks on the UK's participation in the EU's internal electricity market (IEM) and will now work towards negotiating the UK's participation in the EU IEM.

WHAT'S NEXT?

REPORTING DURING THE DEFINITIVE CBAM PERIOD

1. One CBAM report should be submitted annually, with the first report to be submitted 30 September 2027 (*for 2026 emissions*).
2. CBAM declaration containing the following:
 - Total quantity of goods imported during the preceding calendar year
 - Total embedded emissions in those goods (*default values to be published by EC Commission*)
 - Emissions to be verified by EU accredited verifier (*when using default values*)
 - Total number of CBAM certificates to be surrendered
 - The carbon price effectively paid in the country of origin for the embedded emissions

WHAT'S NEXT?

CBAM CERTIFICATES

1. Importers are required to surrender the number of CBAM certificates that correspond to the amount of emissions embedded in their imported electricity.
2. CBAM certificates will be available to purchase from 1 February 2027 *(for the first year of CBAM only)*.

FOR
2026

The CBAM certificate price will be based on the quarterly average of the closing prices of the ETS allowances of the quarter of importation of the CBAM goods.

(i.e. 1 April 2026 for Q1 2026)

FROM
2027

The CBAM certificate price will be provided for each calendar week, based on the weekly average of the closing prices of EU-ETS allowances on the auction platform.

FROM
2027

There is a requirement to hold CBAM certificates corresponding to at least 50% of the emissions embedded in the goods at the end of each quarter.

WHAT'S NEXT?

CBAM CERTIFICATES

3. Purchase & surrendering of CBAM certificates shall take place on the Central Common Platform.
4. Resale of Certificates - Any surplus certificates can be resold up until 3 October 2027.
5. Cancellation of Certificates – Any remaining certificates for 2026 will be cancelled on 1 November 2027.

KEY TAKEAWAYS

EU CBAM UPDATE

1

If a carbon price has been paid during the production, the corresponding amount can be deducted from importers CBAM certificate obligations. The Implementing Acts and Delegating Acts which will provide clarity on importers CBAM obligations are still to be finalised in Q1 2026 relating to how this deduction will be applied.

2

Whilst the guidance published by the EC in December 2025 presents a more favourable outcome for electricity; please note that these are proposed amendments to the CBAM Regulation and would need to be agreed and adopted by the EU Commission and Parliament in 2026.

3

Though the provisional EC legislations and the UK-EU statement on ETS linkage issued in December 2025 are extremely positive developments, there are still considerable challenges ahead of us.

You are accruing liabilities from 1 January 2026 but won't know the precise value of these liabilities (which may well be zero) for some months yet.

As per the draft legislation, the UK allowances & CPS that customers are already paying is currently higher than the EU ETS price, which should result in no CBAM costs. **However, this is only draft and would need to be approved in the final legislation.**

ANY QUESTIONS?

CBAM Q&A

