

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

**Support in ensuring compliance
with CBAM regulation**

In October 2023, the EU Carbon Border Adjustment Mechanism (CBAM) came into effect.

WHAT IS CBAM?

CBAM is a new, unique financial levy on the import of certain categories of products into the EU, where there are high levels of embedded CO₂ emissions.

WHY DOES THIS MATTER?

CBAM may affect the profitability of select products and their competitiveness in the EU market.

CBAM OBJECTIVES



Prevention of “carbon leakage” – shifting production outside the EU and increasing imports into the EU from countries with more lenient climate regulations and lower production costs;



Establishing a level playing field for imported and EU products in the EU market – introducing a price for embedded emissions in imported products equal to the EU ETS;



Encouraging decarbonization outside the EU.

CBAM INITIAL SCOPE

IRON AND STEEL

ALUMINUM

FERTILIZERS

HYDROGEN

CEMENT

ELECTRICITY

KEY DATES IN IMPLEMENTATION

TRANSITIONAL PERIOD

DEFINITIVE PERIOD

2023.

2024.

2025.

2026.

2030.

2034.

1.10.2023.

Start of
transitional period

31.01.2024.

First report
deadline

31.12.2025.

End of transitional
period

1.1.2026.

Start of definitive
period

31.12.2030.

CBAM scope fully
aligned with EU ETS

1.1.2034.

No more free
certificates

OBLIGATIONS:

Measuring and monitoring emissions in production;
Quarterly reporting;
Total quantity of imported products in a given quarter;
Total embedded CO₂ emissions (direct or indirect);
CO₂ emission price in the country of origin, if a pricing system exists.

PENALTIES:
10-50 euros/t CO₂

OBLIGATIONS:

Financial obligations – purchasing CBAM certificates;
Annual report and emissions verification;
Total quantity of imported products in a given year;
Total embedded CO₂ emissions (direct and indirect);
Paid CO₂ emission price in the country of origin, if a pricing system exists;
Note: In this phase, an expansion of sectors and products covered by CBAM can be expected.

PENALTIES:
up to 100 euros/t CO₂

OUR APPROACH

HOW WE CAN HELP



Support in measuring, monitoring, and calculating embedded emissions.



Defining and monitoring the total export to the EU subject to CBAM.



Accurate and timely reporting.



Long-term planning and implementation of a decarbonization strategy.

CBAM PRODUCTS

CN code	Aggregated goods category	Greenhouse gas
<i>Cement</i>		
2507 00 80 – Other kaolinic clays	Calcined clay	Carbon dioxide
2523 10 00 – Cement clinkers	Cement clinker	Carbon dioxide
2523 21 00 – White Portland cement, whether or not artificially coloured	Cement	Carbon dioxide
2523 29 00 – Other Portland cement		
2523 90 00 – Other hydraulic cements		
2523 30 00 – Aluminous cement	Aluminous cement	Carbon dioxide
<i>Electricity</i>		
2716 00 00 – Electrical energy	Electricity	Carbon dioxide
<i>Fertiliser</i>		
2808 00 00 – Nitric acid; sulphonitric acids	Nitric acid	Carbon dioxide and nitrous oxide
3102 10 – Urea, whether or not in aqueous solution	Urea	Carbon dioxide
2814 – Ammonia, anhydrous or in aqueous solution	Ammonia	Carbon dioxide
2834 21 00 – Nitrates of potassium	Mixed fertilisers	Carbon dioxide and nitrous oxide
3102 – Mineral or chemical fertilisers, nitrogenous except 3102 10 (Urea)		
3105 – Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorus, and potassium; other fertilisers		
—Except: 3105 60 00 – Mineral or chemical fertilisers containing the two fertilising elements phosphorus and potassium		
<i>Iron and Steel</i>		
2601 12 00 – Agglomerated iron ores and concentrates, other than roasted iron pyrites	Sintered Ore	Carbon dioxide
7201 – Pig iron and spiegeleisen in pigs, blocks, or other primary forms Some products under 7205 (Granules and powders, of pig iron, spiegeleisen, iron, or steel) may be covered here	Pig Iron	Carbon dioxide
7202 1 – Ferro-manganese	FeMn	Carbon dioxide
7202 4 – Ferro-chromium	FeCr	Carbon dioxide
7202 6 – Ferro-nickel	FeNi	Carbon dioxide
7203 – Ferrous products obtained by direct reduction of iron ore and other spongy ferrous products	DRI	Carbon dioxide
7206 – Iron and non-alloy steel in ingots or other primary forms (excluding iron of heading 7203)	Crude steel	Carbon dioxide
7207 – Semi-finished products of iron or non-alloy steel		
7218 – Stainless steel in ingots or other primary forms; semi-finished products of stainless steel		
7224 – Other alloy steel in ingots or other primary forms; semi-finished products of other alloy steel		

<p>7205 – Granules and powders, of pig iron, spiegeleisen, iron or steel (if not covered under category pig iron)</p> <p>7208 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, hot-rolled, not clad, plated or coated</p> <p>7209 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, cold-rolled (cold-reduced), not clad, plated or coated</p> <p>7210 – Flat-rolled products of iron or non-alloy steel, of a width of 600 mm or more, clad, plated or coated</p> <p>7211 – Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, not clad, plated or coated</p> <p>7212 – Flat-rolled products of iron or non-alloy steel, of a width of less than 600 mm, clad, plated or coated</p> <p>7213 – Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel</p> <p>7214 – Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling</p> <p>7215 – Other bars and rods of iron or non-alloy steel</p> <p>7216 – Angles, shapes and sections of iron or non-alloy steel</p> <p>7217 – Wire of iron or non-alloy steel</p> <p>7219 – Flat-rolled products of stainless steel, of a width of 600 mm or more</p> <p>7220 – Flat-rolled products of stainless steel, of a width of less than 600 mm</p> <p>7221 – Bars and rods, hot-rolled, in irregularly wound coils, of stainless steel</p> <p>7222 – Other bars and rods of stainless steel; angles, shapes and sections of stainless steel</p> <p>7223 – Wire of stainless steel</p> <p>7225 – Flat-rolled products of other alloy steel, of a width of 600 mm or more</p> <p>7226 – Flat-rolled products of other alloy steel, of a width of less than 600 mm</p> <p>7227 – Bars and rods, hot-rolled, in irregularly wound coils, of other alloy steel</p> <p>7228 – Other bars and rods of other alloy steel; angles, shapes and sections, of other alloy steel; hollow drill bars and rods, of alloy or non-alloy steel</p> <p>7229 – Wire of other alloy steel</p> <p>7301 – Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel</p> <p>7302 – Railway or tramway track construction material of iron or steel, the following: rails, check-rails and rack rails, switch blades, crossing frogs, point rods and other crossing pieces, sleepers (cross-ties), fish- plates, chairs, chair wedges, sole plates (base plates), rail clips, bedplates, ties and other material specialised for jointing or fixing rails</p> <p>7303 – Tubes, pipes and hollow profiles, of cast iron</p> <p>7304 – Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron) or steel</p> <p>7305 – Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406,4 mm, of iron or steel</p> <p>7306 – Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel</p> <p>7307 – Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel</p> <p>7308 – Structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, lock- gates, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, shutters, balustrades, pillars and columns), of iron or steel; plates, rods, angles, shapes, sections, tubes and the like, prepared for use in structures, of iron or steel</p> <p>7309 – Reservoirs, tanks, vats and similar containers for any material (other than compressed or liquefied gas), of iron or steel, of a capacity exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment</p> <p>7310 – Tanks, casks, drums, cans, boxes and similar containers, for any material (other than compressed or liquefied gas), of iron or steel, of a capacity not exceeding 300 l, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment</p> <p>7311 – Containers for compressed or liquefied gas, of iron or steel</p> <p>7318 – Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles, of iron or steel</p> <p>7326 – Other articles of iron or steel</p>	<p>Iron or steel products</p>	<p>Carbon dioxide</p>
---	-------------------------------	-----------------------

Aluminium		
7601 – Unwrought aluminium	Unwrought aluminium	Carbon dioxide and perfluorocarbons
7603 – Aluminium powders and flakes 7604 – Aluminium bars, rods and profiles 7605 – Aluminium wire 7606 – Aluminium plates, sheets and strip, of a thickness exceeding 0,2 mm 7607 – Aluminium foil (whether or not printed or backed with paper, paper-board, plastics or similar backing materials) of a thickness (excluding any backing) not exceeding 0,2 mm 7608 – Aluminium tubes and pipes 7609 00 00 – Aluminium tube or pipe fittings (for example, couplings, elbows, sleeves) 7610 – Aluminium structures (excluding prefabricated buildings of heading 9406) and parts of structures (for example, bridges and bridge-sections, towers, lattice masts, roofs, roofing frameworks, doors and windows and their frames and thresholds for doors, balustrades, pillars and columns); aluminium plates, rods, profiles, tubes and the like, prepared for use in structures 7611 00 00 – Aluminium reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment 7612 – Aluminium casks, drums, cans, boxes and similar containers (including rigid or collapsible tubular containers), for any material (other than compressed or liquefied gas), of a capacity not exceeding 300 litres, whether or not lined or heat-insulated, but not fitted with mechanical or thermal equipment 7613 00 00 – Aluminium containers for compressed or liquefied gas 7614 – Stranded wire, cables, plaited bands and the like, of aluminium, not electrically insulated 7616 – Other articles of aluminium	Aluminium products	Carbon dioxide and perfluorocarbons
Chemicals		
2804 10 000 – Hydrogen	Hydrogen	Carbon dioxide

GEČIĆ | LAW

Nikole Spasića 2,
11000 Beograd
office@geciclaw.com
+381 11 40 43 570

