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EY Global Trade

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Insights

Sustainability

CBAM – a balancing act

The Carbon Border Adjustment Mechanism (CBAM)[1] is a central element of the European Green Deal.[2] By adopting this border adjustment levy for greenhouse gases (mainly, but not only, CO2) imported into the European Union (EU), the trading bloc wants to prevent companies from relocating their emissions-intensive production of goods to countries outside the EU with lower or no carbon pricing (carbon leakage).

However, the EU CBAM can create significant issues for businesses that could prompt them to reconsider and redesign their operations, including where they are located. Businesses face an important balancing act to find the right mix of location, CBAM cost and competitiveness.

Not only is CBAM likely to increase the administrative burden for affected businesses, but the levy could also impact the competitiveness of important EU industries. Therefore, the European Commission has deliberately designed the CBAM as a dynamic legal instrument whose effects are to be reviewed regularly so that the EU can react to any unintended economic consequences it may create.

Companies should, therefore, actively and continuously review the mechanisms used for carbon pricing (including the EU Emissions Trading System (ETS), EU ETS II, CBAM and any energy taxes) and their impacts.

Businesses should consider the issues outlined below.

Affected products and emissions

Currently the categories of goods subject to CBAM are cement, fertilizer, iron and steel, aluminum, electricity, and hydrogen. Numerous pre-processed and processed products are also included. This means that many parties in a supply chain are potentially affected by the related compliance obligations.

1 For more articles on this topic in recent editions of *TradeWatch*, visit here.

2 The European Green Deal, *European Commission website*. Find it here.

By 2030, many more products will be covered by CBAM. Initially they will include other metal goods, polymers (plastics), various chemicals and petroleum products. However, the list can be extended, and it may be expected that the portfolio of goods covered by CBAM will increase significantly. If so, the CBAM regime will increase substantially for many companies in terms of the products covered and the amount of imported goods subject to the levy.

Consideration is also being given to expanding the emissions subject to CBAM, such as including greenhouse gases related to the transport of goods (not just their manufacture).

Simulating costs

Cost simulations can help to inform business decisions, including strategic procurement, long-term supply chains, and investments in production sites and technology. This principle applies even on a day-to-day basis. For example, every purchasing department will have to estimate CBAM costs to calculate the actual cost of purchasing goods from third countries or to compare different procurement options.

Data from third countries

The transition phase for CBAM reporting began in October 2023. It provides for a CBAM reporting obligation until the end of 2025. EU customs declarants or indirect agents who release goods for free circulation are required to submit quarterly CBAM reports.

Effective from the CBAM report for the third quarter of 2024, due to be submitted in October 2024, the challenge for importers is third-country producers must provide information on actual embedded emissions data – that is, actual data on the specific embedded emissions of those products as well as details about the production method, carbon cost paid in the origin countries and the specific details of the manufacturing installation.[3] This obligation requires non-EU suppliers to monitor, calculate and share this information.

Since many suppliers are providing the required information for the first time and in accordance with the new EU CBAM standards, data quality issues may arise in practice. Therefore, a comprehensive check of the data obtained is recommended to prevent the use of inaccurate or implausible data.

Fortunately, the European Commission and the national CBAM authorities now also recognize that it is not always possible for importers to obtain the data required. In this respect, importers must prove that they have made every effort to obtain the relevant data (i.e., that they have approached their suppliers in a targeted manner and then followed up several times). In the individual EU Member States, different national regulations apply as to which values are to be entered as placeholders in the CBAM reports or whether the evidence of the unsuccessful supplier approach must be uploaded directly to the report in the appendix.

How the levy is calculated

From 2026, the border adjustment will be activated. Customs declarants or indirect representatives must purchase allowances for emissions generated in the third country, the price of which is based on the European Economic Area (EEA) certificate costs under the EU ETS.

The CBAM is calculated based on the quantity of imported goods, the direct and indirect emissions incurred during production in the third country (electricity, heating and cooling), and the price of the certificate. Any emission costs that can be proven to have been paid in the countries of manufacture may be deducted. The amount of emissions is determined on one of the following:

- The basis of the actual emissions (insofar as these are detected and certified by independent experts)
- Standard values (benchmark values for emissions from the production of certain goods in the respective country or region of origin)
- Fallback values, based on the most emitting EU production facilities

The details of the calculation of the required CBAM certificates and thus the expected costs will be regulated in another legal act, which will probably be issued in 2025.

3 As EU CBAM reporting progresses to actual emissions data, what should companies do next?, TradeWatch Issue 2 *2024*, page 36. Find it here.

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Introduction and registration

To avoid overburdening the economy, the border adjustment will slowly increase in the introduction phase until 2034. This is a mirror image of the reduction in the free allocation of emission certificates. From 31 December 2024, customs declarants or indirect representatives will be able to apply for an authorization as an "Authorized CBAM Declarant." It will no longer be possible to import CBAM-affected goods from 2026 onward without this authorization.

Other jurisdictions around the world are also planning to introduce border adjustment measures, such as the United Kingdom (UK) and Norway. Other countries, such as Australia, and the other states in the EEA could follow in the near future. Ultimately, the CBAM concept is likely to be of interest for all countries that have already introduced comparatively high levels of carbon pricing.

Penalties for violations

In the event of violations, companies should deal with the associated legal and corporate risks. In addition to the penalties set out in the CBAM regulation, several EU Member States have set national sanctions that go beyond the EU regulations. From 2026, criminal risks will also apply. Secondary risks must also be considered. These include, for example, the risk of being excluded from public procurement or the risk that unreliability in CBAM processing will also have a negative impact on qualification as a holder of customs licenses and simplifications.

First practical experiences

So, what has been the experience of businesses so far in complying with the new regime?

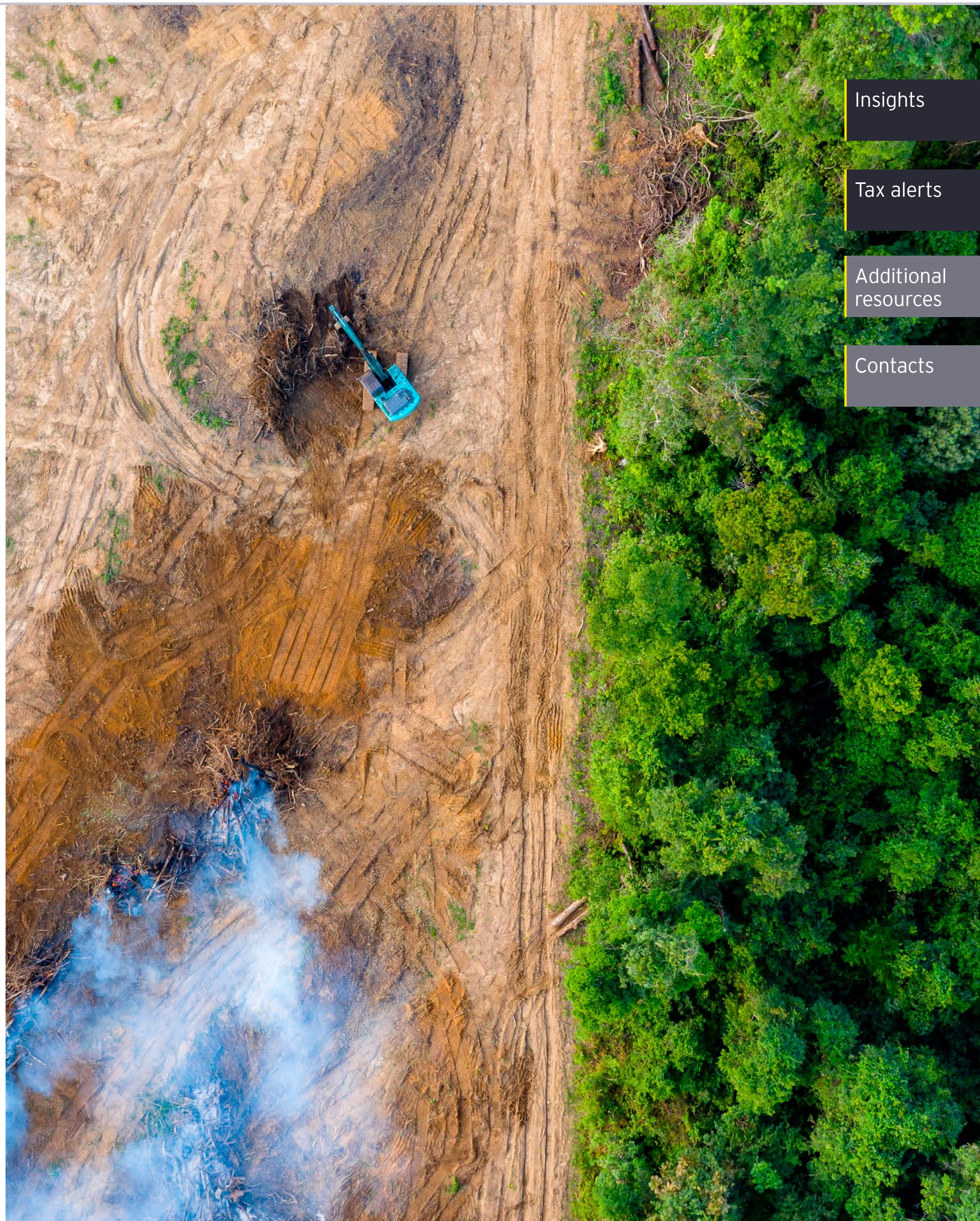
- **Data:** One of the challenges that businesses are encountering is the procurement of the necessary information for CBAM reporting. It requires data from multiple sources, including suppliers, customs clearance and the business's own enterprise resource planning (ERP) system.
- **Roles and responsibilities:** CBAM reporting requires the involvement of several corporate functions across the company, and these complex process chains require a clear definition of roles and responsibilities. Technical instructions or training in relation to CBAM and appropriate documentation (including a RASCI (responsible, accountable, supportive, consulted, informed) matrix, process documentation and work instructions) are crucial. It is also important to design, implement and document appropriate prevention and control measures.
- **Insourcing and outsourcing:** Depending on the volume of CBAM-relevant imports undertaken by the company, CBAM processing can lead to a considerable administrative burden. Various possibilities exist for the internal organization of CBAM processing in the company, with greater or lesser degrees of centralization of process steps. Another important decision will be deciding which activities are best handled in the company and which are best handled by third-party service providers, for example, to have specialized bodies manage resources or handle activities.

  In our experience, the purchase of a CBAM software solution alone is not enough nor does it always provide the most suitable process support for the company. Therefore, it is important to carry out a comprehensive impact analysis in advance, plan process steps and then consider all organizational variants before adopting a solution.
- **Ongoing review:** Plan for ongoing changes in the law and rules. Companies need keep abreast of the latest developments and constantly review processes or aspects of strategic business planning against the backdrop of carbon pricing to make informed investment and procurement decisions. ■

For additional information, please contact:

Richard Albert | + 49 160 939 17756 | richard.j.albert@de.ey.com

EU: Deforestation Regulation: an underestimated challenge



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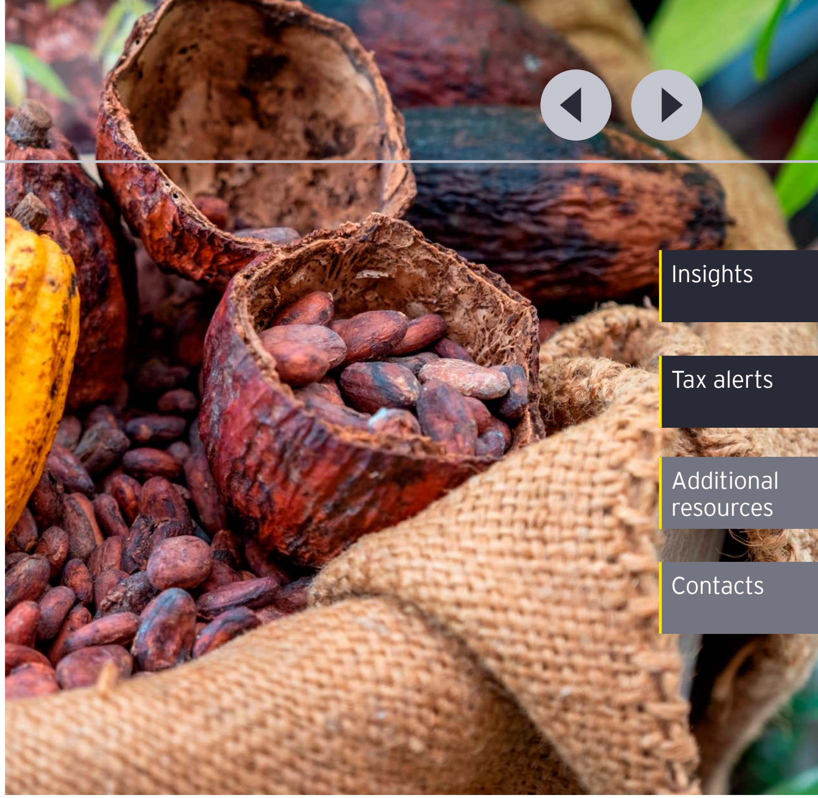
With the EU Deforestation Regulation,[1] the trading bloc's battle for global environmental protection enters the next round.[2] From 30 December 2025, large and medium-sized companies must comply with the EU regulation preventing deforestation and forest degradation (the EU Deforestation Regulation or EUDR). Starting in mid-2026, micro- and small enterprises must comply with the regulation. As a result, thousands of economic operators who place certain commodities (and products derived from those commodities) onto the EU market will need to carry out due diligence on their supply chains.

Initially, the EUDR was to apply as of 30 December 2024 (and mid-2025 for micro- and small enterprises). However, on 2 October 2024, the European Commission proposed to extend the implementation of the EUDR by 12 months. Other relevant dates are also adjusted by 12 months. The proposal has been accepted by the Council, and on 14 November 2024, the European Parliament also voted i n favour. Final agreement on the postponement was reached on 3 December 2024. The new application dates (and potential other changes) will not enter into force until the agreed new text is published in the EU Official Journal. Throughout this article, we have chosen to reflect the new dates.

1 Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010, *European Union website*, 31 May 2023. Find it here.

2 Background information on this topic can be found in "EU: Fight against global deforestation," ***TradeWatch*** Issue 2 2023, page 33. Find it here.

3 Press release from the Council of the EU, dating 20 November 2024, on the *European Union Website*. Find it here.



To comply, companies must demonstrate where the relevant commodities were produced to identify product-related deforestation risks. This task may prove challenging as the composition and origin of goods may vary from batch to batch, and sometimes even within a single batch. This difficulty may apply for bulk goods such as palm oil, charcoal, soy, paper (pulp) and the like, for which the materials have been harvested in different areas or where raw materials from different sources are mixed during transport, storage or the production process. Even with items such as furniture, wood may be used from different countries or plantations. However, the analysis is essential – without conclusive evidence of compliance with the EUDR, certain goods may no longer be marketed in or exported from the EU.

Who is impacted?

Goods scope

The European Commission has identified seven commodities that it says contribute the most to deforestation: wood, cocoa, coffee, soy, palm oil, rubber and cattle. Under the EUDR, these seven commodities, and certain products containing them, can only be imported into, traded within and exported from the EU if a due diligence statement is submitted beforehand. There are no thresholds.

The goods in scope of the EUDR are referred to as "relevant products" and are listed in Annex I to the EUDR by their Combined Nomenclature (CN) code and partly by their product description. Which downstream products are covered by the measure differs per commodity. Only products that are included in the list are impacted. Therefore, having the correct customs classifications in place for each item is crucial. Here are some examples of goods that are and are not affected by the measure:

- Palm oil is in scope, but soap containing palm oil is not.
- Cocoa beans are in scope, and so are cocoa powder, chocolate bars and pralines, but cookies containing cocoa are not.
- In the cattle category, meat is in scope, as well as leather, but milk is not impacted.

Notably, the measure does not just affect classic agriculture and downstream products. For example, in the rubber category, transmission belts, tubes and tires are covered, and the wood category includes (empty) packaging materials.

Operators and traders

Any entity that places relevant products on the EU market for the first time qualifies as an operator. This can be an importer or an EU producer of a relevant product. An entity that exports relevant products from the EU also qualifies as an operator. A trader is an entity that makes products available on the market, that is, purchases products and sells them onward in the EU.

An EU supply chain can have multiple operators. For instance, an importer of cocoa beans is covered, and a manufacturer who processes those cocoa beans into chocolate bars is also covered because it has created a new relevant product. Any subsequent entity purchasing and selling the chocolate bars onward in the EU qualifies as a trader. This means that wholesalers and retailers are also impacted.

Mapping of lands

The EUDR aims to prevent further expansion of agricultural lands at the expense of natural forests. In the future, the regulation could be extended to goods from other habitats, such as peatlands and other wetlands, and savannas. An extension to further products is also possible.

The due diligence starts with determining the geolocation of all plots of land where the commodities of the relevant products were harvested or produced. This must be based on latitude and longitude coordinates using at least six decimal digits. Furthermore, the date or time range of production must be documented. The evidence must be kept for five years. This demands traceability at the batch level – a significant challenge for logistics, storage and data management.

Due diligence statement

Under the EUDR, relevant products may only be brought on the EU market or exported from the EU if all the following conditions are met:

- They are deforestation-free.
- They have been produced in accordance with the relevant legislation of the country of production.
- They are covered by a due diligence statement, submitted to the information system managed by the European Commission.

In the due diligence statement, the operator or trader declares that due diligence has been performed and that there is no or only a negligible risk concerning the first two points.

To perform effective due diligence, a business must conduct a risk assessment. A multitude of traits must be considered, including the presence of forests in the country of production; the presence of indigenous people in the area; whether the area is known for corruption, armed conflicted, human rights violations, or lack of law enforcement; or whether United Nations sanctions have been imposed. Operators must be able to demonstrate how the information gathered was checked against the various risk criteria. If risks cannot be ruled out from the outset, adequate risk mitigation measures must be adopted to achieve a lower risk classification (that is, that there is no or only a negligible risk of noncompliance). These measures may include independent surveys, audits or support for small suppliers to implement the provisions of the EUDR.

Compliance measures

Businesses must implement appropriate policies, controls and procedures to mitigate and manage the risks of noncompliance of relevant products. This includes, in particular, the establishment of an internal control and compliance management system, the appointment of a compliance officer at management level (for large companies), and a review by the internal audit department.

In addition, the EUDR requires annual public reporting (including online) on the due diligence system. Parallels with the reporting obligations under the Corporate Sustainability Reporting Directive (CSRD) and the requirements under the EU Green Claims Directive, which aims to prevent greenwashing, should also be considered.

Companies down the supply chain

As discussed above, the EUDR due diligence obligations do not only apply to companies that place relevant products on the EU market for the first sale (operators) but also to companies further down the supply chain (traders). All companies in the supply chain are impacted. To enable traders to conduct their own due diligence assessments, suppliers must provide them with sufficient information, in addition to the reference numbers of the due diligence statements that have already been submitted in relation to the goods.

The EUDR also applies to farmers, forest owners and traders in the EU, whenever they place relevant products on the EU market or export them.

In the event of violations or missing information in the due diligence assessment, goods may not be imported, placed on the market or exported. In this

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respect, the EUDR imposes a new import and export control obligation from a customs perspective. An exemption applies to small and medium-sized enterprises that may rely on due diligence already carried out by their suppliers. Microenterprises may also commission a company down the supply chain to submit the due diligence statement on their behalf.

Risk classification of countries

The EU Commission will carry out a deforestation or forest degradation assessment for all countries worldwide, including EU Member States, and assign a risk classification to them: low, standard or high risk. This risk classification is currently still pending.

For products from low-risk countries, simplified due diligence obligations apply. However, simplified due diligence may only be carried out after having assessed the complexity of the supply chain and the risk of circumvention, that is, the risk that products from low-risk countries are mixed with goods from standard or high-risk countries.

Retroactive effect

The cutoff date for the evaluation of whether land has been subject to deforestation is 31 December 2020. The prohibition to place goods on the market only applies to relevant products produced from commodities that were harvested on land that has been subject to deforestation after that date.

Products that were produced before 29 June 2023 are not in scope of the EUDR.

Special rules apply to timber and timber products falling under the EU Timber Regulation. That regulation shall continue to apply until 31 December 2028. Timber products that were produced before 29 June 2023 and placed on the market from 31 December 2028 shall comply with the EUDR.

To ensure that products can be placed on the EU market, companies should start working now on locating the areas where the products were produced. Doing this is likely to be very challenging for complex supply chains, for goods that are stored for a long time and in the case of bulk materials where batches may be blended before they enter the EU; therefore, additional time may be needed to gather the necessary information.

Due diligence statement reference number for customs declarations

After 30 December 2025, customs declarants must declare in their import and export declarations of relevant products that the goods are deforestation-free and that the relevant due diligence has been carried out. When a due diligence statement is submitted, a reference number is generated. This reference number must be referred to in the customs declaration. Without a reference number, the goods will not be released for import or export.

Where relevant products are imported or exported but the EUDR does not apply (e.g., because of the date of production), specific codes must be included in the customs declaration to reflect this. In these circumstances, a due diligence statement reference number is not required.

Impact analysis

It is crucial that economic operators that will be affected by the EUDR act quickly to identify their responsibilities and to assess the impact on their business. However, the time remaining before implementation is a challenge for most companies. Companies should act as soon as possible to start performing an impact analysis and based on the outcome, plan on further actions.

Like other sustainability-related regulations, the EUDR requires companies to adopt a multidisciplinary approach. Many functions can be involved in this, but the process is likely to include procurement and customs or foreign trade functions as well as sales, master data management, legal and IT departments. ■

For additional information, please contact:

Jolina Groenendijk
+ 31 884 079 072 | jolina.groenendijk@nl.ey.com

Sebastian Wurzberger
+ 49 621 4208 16842 | sebastian.wurzberger@de.ey.com

Richard Albert
+ 49 160 939 177756 | richard.j.albert@de.ey.com

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EU: Ecodesign and Sustainable Product Regulation

On 18 July 2024, the Ecodesign for Sustainable Products Regulation (ESPR)1 entered into force as part of the EU Circular Economy Action Plan (CEAP)[2] under the European Green Deal (EGD).[3] It is at the heart of the European Commission's goal to decouple economy growth from primary resource consumption, reduce waste and "make sustainable products the norm in the EU."

The ESPR will help address the current linear production process and consumption patterns through "product design, setting new requirements to make products more durable, reliable, reusable, upgradable, repairable, easier to maintain, refurbish, and recycle, and by ensuring energy and resource efficiency and addressing the presence of hazardous chemicals in products."

The ESPR is a package of measures that will impact investment and trade decisions, resulting in business and operating model transformation (with direct and indirect tax consequences). It also will have implications for broader supplier ecosystems. The ESPR replaces the current Ecodesign Directive and will continue to enforce ecological standards for product design; however, the scope is broader, as outlined later in this article.

Under the ESPR, certain products, such as those used for defense, medical devices and food, will be exempt. Priority covered items include:

- Iron and steel
- Aluminum
- Textiles (garments and footwear)
- Furniture (including mattresses)
- Tires
- Detergents
- Paints
- Lubricants
- Chemicals
- Energy-related products (including new and revised existing measures)
- ICT and other electronics products

1 "Ecodesign for Sustainable Products Regulation," *European Commission website*. Find it here.
2 "Circular economy action plan," *European Commission website*. Find it here.
3 "The European Green Deal," *European Commission website*. Find it here.

Starting in 2025, the ESPR will be implemented through delegated acts (essentially product action plans). The acts will be adopted at least 18 months from their entry into force, with longer timelines for small and medium enterprises. This leaves little time for businesses to plan and implement potential changes to product designs, materials composition, setting up repair services for products, etc.

The EU's sustainability initiatives, such as the ESPR and Carbon Border Adjustment Mechanism (CBAM),[4] aim to shift from linear to circular economies, influencing global (and circular) trade. Circular trade includes any international trade transaction in goods, services and intellectual property that contributes to circular economy goals.[5] Circular trade is vital for this transition but faces challenges, such as trade barriers and standardization issues. International cooperation and transparent trade practices are essential for a successful, equitable shift toward circularity.

ESPR overview

The ESPR represents a significant advancement in the EU's environmental policy, aligning with broader EGD goals, and sets a precedent for sustainable product design and consumption on a global scale. Given that product design influences up to 80% of environmental impact over its lifecycle,[6] the ESPR is striking at the core of the issue.

The ESPR aims to enhance circularity, energy efficiency and overall environmental sustainability of a larger range of product groups in the EU market. It will help to protect the environment while promoting sustainable business practices and bolstering the EU's economic competitiveness and resilience. The ESPR also includes the possibility of recovery and recycling critical raw materials, serving to increase security and reduce dependencies for EU strategic sectors – a key priority as outlined in the 2024 Draghi report on the future of European competitiveness.[7]

Essentially, the goal is to reduce the lifecycle environmental impact of products, including reduction of emissions and packaging waste. Under the ESPR, product durability, reliability, reusability, upgradability, repairability and ease of maintenance will need to be carefully considered. Substances known to impede product and material circularity will be restricted.

A sustainable product under the ESPR is envisioned to include:

- Reduced energy consumption and improved energy efficiency
- Increased longevity
- Ease of repair
- Straightforward disassembly for further use
- Ready recyclability
- More recycled content incorporated
- Fewer harmful substances

Other ESPR measures

Digital product passport (DPP)

The ESPR will implement a DPP, effectively a digital ID for products, components and materials, to enhance sustainability, circularity and transparency, while ensuring compliance with regulations. This easily accessible electronic repository will provide detailed information for consumers, manufacturers and authorities to make more informed eco-friendly decisions.

The DPP will facilitate automatic verification of imports by customs authorities. Content for the DPP will include elements such as technical performance, material origins, repair history, recycling options and lifecycle environmental impacts. Greater levels of digitization and sharing of sustainability data will play a critical role in the faster transition of entire value chains to circularity.

4 For more articles on this topic in recent editions of *TradeWatch*, visit here.

5 "The role of international trade in realizing an inclusive circular economy: 05 Enhancing transparency and traceability," *Chatham House*, 4 October 2022. Find it here.

6 "An introduction to circular design," *Ellen MacArthur Foundation website*, 6 June 2022. Find it here.

7 "EU competitiveness: Looking ahead," *European Commission website*. Find it here.

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Destruction of unsold consumer products

The ESPR introduces a landmark measure to combat the wasteful practice of destroying unsold products in the EU, specifically textiles and footwear. Large businesses will be required to publicly report the quantity and reasons for discarding unsold goods, detailing how these items are managed according to the waste hierarchy (i.e., reuse, remanufacturing, recycling, energy recovery or disposal).

The ESPR also opens the door to potentially banning the destruction of unsold items across various sectors and will eventually require large and medium-sized companies to disclose detailed disposal information on their websites, promoting transparency and encouraging sustainable practices.

Green Public Procurement (GPP)

The ESPR aims to direct the EU's EUR1.8 trillion public procurement budget toward sustainable purchases by establishing mandatory GPP criteria. This move is expected to substantially increase demand for and investment in sustainable products.

Trade-related concerns

EU sustainability policies, such as the CBAM, EUDR[8] and ESPR, extend beyond EU borders, influencing global suppliers and trade practices. The ESPR, in particular, aims to transform the linear production and consumption patterns into a more circular and sustainable model, impacting a wide range of sectors. A successful transition requires international cooperation and regulatory alignment.

Circular trade flows are at the heart of the transformation required to implement the ESPR. They include international transactions in goods, services and intellectual property that contribute to circular economy goals. Circular business models typically require specific equipment and knowledge, contributing to upskilling, employment and just transition of participating countries.

Potential benefits of circular trade	Potential challenges facing circular trade
▸ Extends useful life of products ▸ Supports employment and new industries (e.g., local repair, waste processing sectors) ▸ Generates and scales up demand for secondary raw materials ▸ Access to affordable quality goods, materials and equipment ▸ Turns waste into a valuable feedstock for domestic and international industry	▸ Non-differentiation between remanufactured goods, second-hand items, waste, etc., can result in trade barriers and/or tariffs ▸ Unpredictable quantity of supply and quality of goods, materials, waste, etc., for circular economy production ▸ Absence of internationally agreed standards ▸ Higher transaction costs and risks for circular economy products

8 See "EU: Deforestation Regulation: an underestimated challenge" on page 72 in this edition.

To address these challenges, enhanced supply chain transparency and traceability are crucial. The ESPR's DPP will help by requiring manufacturers to provide detailed information about a product's history and certification levels, supporting better governance and regulation of circular trade flows while streamlining customs processes.

Ultimately, no single country can achieve an inclusive circular economy on its own. International trade plays a critical role in facilitating the transition, and greater collaboration among the global community is necessary. While some governments have used trade restrictive measures to encourage certain types of circularity activities, a balanced and coordinated international or regional approach is essential to ensure an effective and equitable shift toward circularity globally.

New business models and opportunities

A harmonized EU approach to scaling up sustainable products aims to increase competitiveness, create jobs, green the single market in alignment with the EGD, and offer consumer savings, while bolstering the economy's resilience against global supply chain disruptions.

Businesses stand to gain cost-saving advantages by adapting to resource scarcity and fluctuating raw material prices through innovative business models (e.g., product-as-a-service, sharing platforms, repair services), extended product lifespans and optimized usage. A robust secondary materials market further aids in reducing expenses related to materials, energy and waste management, enhancing business resilience. Selling products as a service, for example, shifts the economic focus from quantity sold to product longevity.

Social economy entities have been at the forefront of circular economy ventures, leading initiatives in recycling, reuse and remanufacturing; digital innovation and adoption thereof in this field will be essential. Collaboration across sectors and supply chain ecosystems will stimulate a faster transition to circularity. It will be important to work together to identify and overcome barriers and share leading practices and advice to fully ingratiate circular business models as the status quo.

Preparatory actions for businesses

The ESPR will bring change to many businesses, with nearly all sectors impacted. Businesses can get ready for the ESPR by:

1. Conducting a product lifecycle assessment (LCA) to understand a product's environmental impact. While specific action plans for product groups are not yet available, businesses dealing with priority products are recommended to understand leading practices in circular economy business models.
2. Evaluating leading-practice circular economy business models and identifying potential obstacles in meeting standards – recovery, recycling, reuse, repair – in product portfolios.
3. Developing a preliminary roadmap required to achieve desired circular business models and products. Steps may involve alterations to product design, material selection and supplier engagement as well as the investments needed for both company operations and the wider supply chain ecosystem.

Businesses are recommended to not see the ESPR in isolation but against a broader sustainability and supply chain regulatory backdrop ■

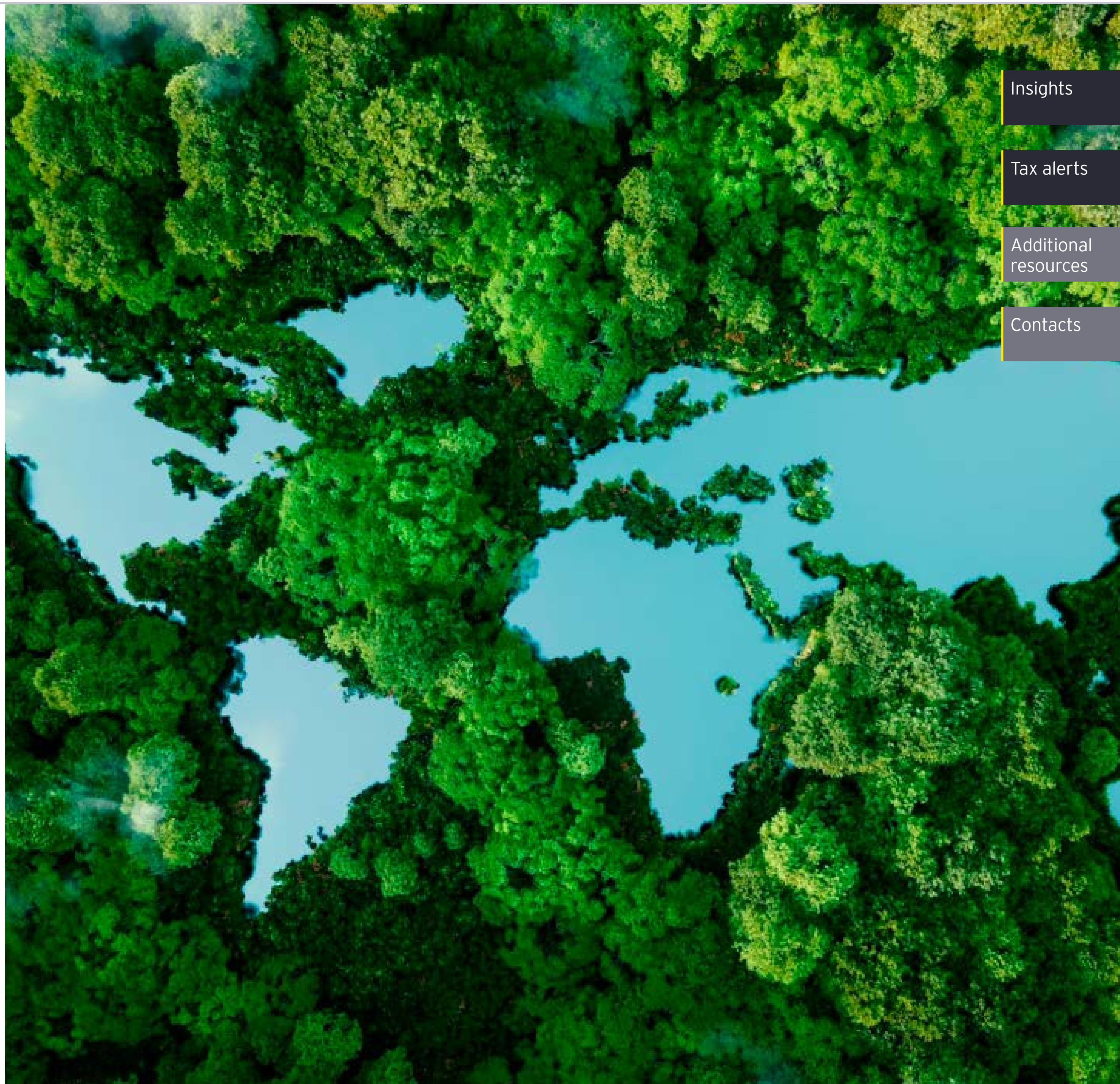
For additional information, please contact:

Alenka Turnsek | + 44 20 7951 1383 | alenka.turnsek@uk.ey.com

Charlene Glenister | + 44 20 7951 2770 | charlene.glenister@uk.ey.com

EY's Green Tax Tracker

Keep pace with sustainability incentives, carbon regimes and environmental taxes – The EY Green Tax Tracker helps you monitor evolving sustainability tax policies across the globe.



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- Argentina eliminates payments on account of Impuesto PAIS for imports of goods
  (04 December 2024)
- Argentina reduces payment term for imports
  (21 October 2024)
- Argentina reduces Impuesto PAIS tax rate
  (03 September 2024)
- Argentina implements withholding-tax exemption for electronic payments
  (27 August 2024)

Brazil

- Brazil moves major VAT reform bill to Senate for consideration
  (05 August 2024)

Canada

- Canada Border Services Agency initiates anti-circumvention investigation into dumping/subsidizing of certain container chassis from China
  (04 December 2024)
- Canadian International Trade Tribunal continues its finding on corrosion-resistant flat-rolled steel sheet products from China
  (04 December 2024)
- United States President-elect discusses tariffs on Canada and Mexico, and additional tariffs on China
  (27 November 2024)
- Canadian International Trade Tribunal issues finding on pea protein imports from People's Republic of China
  (25 November 2024)
- Canada begins to levy surtaxes on Chinese steel and aluminum imports and announces remission order process
  (31 October 2024)
- Canada imposes surtaxes on imports of Chinese EVs, steel and aluminum products, considers surtaxes on critical manufacturing goods
  (19 September 2024)
- Canada Border Services Agency announces transition period and new process for certain customs adjustments
  (22 August 2024)
- Canada Department of Finance releases draft legislation for 2024 budget and other measures
  (21 August 2024)

Colombia

- Colombian 2024 Tax reform bill submitted to Congress, would affect corporate and capital gains rates, among others
  (13 September 2024)
- Colombia prohibits coal exports to Israel
  (26 August 2024)

El Salvador

- Salvadoran Congress approves tax amnesty program
  (09 September 2024)

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- Trade Talking Points – latest insights from EY's Trade Strategy team (November 2024)
  (04 December 2024)
- G20 meeting highlights continued support for BEPS 2.0 and international tax cooperation
  (31 October 2024)
- Digital services tax jurisdiction activity summary now available (as at 25 September 2024)
  (02 October 2024)
- Trade Talking Points – latest insights from EY's Trade Strategy team (September 2024)
  (23 September 2024)
- Trade Talking Points – latest insights from EY's Trade Strategy team (August 2024)
  (13 August 2024)
- G20 Finance Ministers affirm commitment to BEPS 2.0 and enhanced global tax cooperation
  (02 August 2024)

Mexico

- United States President-elect discusses tariffs on Canada and Mexico, and additional tariffs on China
  (27 November 2024)

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- Peru enacts 1% Excise Tax on online gaming and online sports betting
  (24 September 2024)
- Peru enacts Special Installment Payment regime for tax debts due by 31 December 2023
  (20 September 2024)

United States

- United States President-elect discusses tariffs on Canada and Mexico, and additional tariffs on China
  (27 November 2024)
- United States election outcome – potential impact on global trade
  (06 November 2024)
- US White House publishes Fact Sheet outlining proposed changes to de minimis shipments exemption
  (19 September 2024)
- USTR publishes final Notice of modification of actions on impacted Chinese origin products subject to increase in additional Section 301 tariffs and applicable exclusions
  (17 September 2024)

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China

- United States President-elect discusses tariffs on Canada and Mexico, and additional tariffs on China
  (27 November 2024)
- Canadian International Trade Tribunal issues finding on pea protein imports from People's Republic of China
  (25 November 2024)
- Reform decisions from Third Plenary Session seek to modernize China's tax system
  (07 August 2024)

Global

- Trade Talking Points – latest insights from EY's Trade Strategy team (November 2024)
  (04 December 2024)
- G20 meeting highlights continued support for BEPS 2.0 and international tax cooperation
  (31 October 2024)
- Digital services tax jurisdiction activity summary now available (as at 25 September 2024)
  (02 October 2024)
- Trade Talking Points – latest insights from EY's Trade Strategy team (September 2024)
  (23 September 2024)
- Trade Talking Points – latest insights from EY's Trade Strategy team (August 2024)
  (13 August 2024)
- G20 Finance Ministers affirm commitment to BEPS 2.0 and enhanced global tax cooperation
  (02 August 2024)

New Zealand

- Initial Digital Platform Information reporting due in early 2025
  (14 November 2024)

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Europe, Middle East, India and Africa

Denmark

- Danish Government plans to introduce a new agriculture CO2 tax
(06 August 2024)
- Danish Parliament introduces CO2 tax on fuels and CO2-emission tax on industry from 2025
(06 August 2024)

EU

- European Court of Justice holds relocating production won't enable company to escape additional duties unless relocation is economically justified
(03 December 2024)
- EU Council adopts trade, import and export ban on products made using forced labor
(21 November 2024)
- EU details on VAT in the Digital Age (ViDA) package
(07 November 2024)
- EU CBAM – new consultations on authorizing CBAM Declarants and establishing a CBAM Registry
(06 November 2024)
- EU has finally reached agreement on VAT in the digital age (ViDA) proposal
(05 November 2024)
- EU Court of Justice rules on deemed supply for EV charging
(29 October 2024)
- EU Deforestation Regulation; Insights into 12-month delay and recent updates
(09 October 2024)

France

- Latest information on electronic invoicing reform
(17 October 2024)

Germany

- Germany finalizes e-invoicing administrative guidance
(22 October 2024)

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(04 December 2024)
- G20 meeting highlights continued support for BEPS 2.0 and international tax cooperation
(31 October 2024)
- Digital services tax jurisdiction activity summary now available (as at 25 September 2024)
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- Trade Talking Points – latest insights from EY's Trade Strategy team (August 2024)
(13 August 2024)
- G20 Finance Ministers affirm commitment to BEPS 2.0 and enhanced global tax cooperation
(02 August 2024)

Kenya

- Supreme Court declares the Finance Act 2023 constitutional
(01 November 2024)
- Kenya Tax Appeals Tribunal rules on excise duty relief for packaging preforms
(24 September 2024)

Latvia

- Latvia to require business-to-government e-invoicing as of 1 January 2025
(18 November 2024)

Poland

- Poland releases draft amendments to e-invoicing rules
(08 November 2024)
- Poland presents framework for National e-Invoicing System
(05 November 2024)

Saudi Arabia

- Saudi Arabia announces 18th wave of Phase 2 e-invoicing integration
(03 December 2024)
- Saudi Arabia announces 17th wave of Phase 2 e-invoicing integration
(04 November 2024)
- Saudi Arabia announces 16th wave of Phase 2 e-invoicing integration
(30 September 2024)
- Saudi Arabia announces new fee rules on customs services
(10 September 2024)
- Saudi Arabia announces 15th wave of Phase 2 e-invoicing integration
(03 September 2024)
- Saudi Arabia announces 14th wave of Phase 2 e-invoicing integration
(05 August 2024)

Slovakia

- Slovakia introduces tax on sweetened nonalcoholic beverages
(20 September 2024)

South Africa

- South Africa publishes amendments to customs duties on lead-acid batteries
(13 August 2024)

Spain

- Spain approves invoicing software specifications for taxpayers not using electronic VAT system
(19 November 2024)

Turkiye

- Turkiye reduces allowed value limits on and increases duties applicable to B2C e-commerce shipments
(07 August 2024)

Uganda

- Uganda issues Tax Amendment Acts for 2024
(18 September 2024)

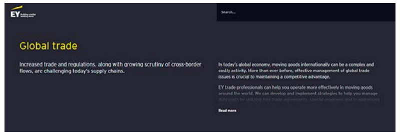
United Arab Emirates

- UAE formally announces introduction of e-invoicing, launches e-invoicing portal and amends VAT Law provisions
(06 November 2024)
- Dubai Customs announces implementation of the updated customs declaration
(17 October 2024)

United Kingdom

- UK to publish e-invoicing consultation in early 2025
(05 November 2024)
- UK Government responds to consultation on introducing UK CBAM
(31 October 2024)
- UK Autumn Budget delivers significant tax increases but seeks to plan for the future
(31 October 2024)
- UK to launch a consultation on e-invoicing
(23 September 2024)

Additional resources



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Contacts

Global

Jeroen Scholten
EY Global Trade Practice Leader

Trade knowledge team

Richard Albert
Ernst & Young GmbH, Germany Global Trade Partner

Lynlee Brown
Ernst & Young, LLP Global Trade Partner

Ian Craig
Ernst & Young Assessoria Empresarial Ltda, Brazil Global Trade Partner

Sergio Fontenelle
Ernst & Young, LLP Global Trade Leader

Michael Leightman
Ernst & Young, LLP Global Trade Partner

Shenshen Lin
Ernst & Young LLP UK, Global Trade Partner

Sharon Martin
Ernst & Young, LLP Global Trade Partner

Rocio Mejia
Mancera, S.C., Mexico Global Trade Leader

Suresh Nair
Ernst & Young, LLP Global Trade Partner

Yoichi Ohira
Ernst & Young Tax Co Japan, Indirect Tax Leader

Carolina Palma
Ernst & Young S.A. Costa Rica, Global Trade Leader

Waine Peron
EY Latin America, Global Trade Leader

George Riddle
Ernst & Young LLP UK, Director of Trade Policy & Strategy

Martijn Schippers
Ernst & Young Belastingadviseurs LLP, Netherlands, Indirect Taxation and Global Trade

Paul Smith
EY Oceania, Global Trade Leader

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Global Trade contacts

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Global Trade contacts by jurisdiction

Americas

Argentina
Sergio Stepanenko
+ 54 11 4318 1648

Brazil
Ian Craig
+ 55 21 32637362
Fernando Fagiani
+ 55 11 2573 6913
Cesar Finotti
+ 55 11 2573 6465
Gabriel Martins
+ 55 21 3263 7201
Waine Peron
+ 55 11 2573 3559

Canada
Helen Byon
+1 613 598 0418
Kristian Kot
+ 1 2502 948384
Sylvain Golsse
+ 1 4169 325165

The Caribbean
Rose Boevé
+ 599 0 430 5076

Colombia
Nicole Velasquez Amaya
+ 57 1 4847036

Costa Rica
Carolina Palma
+ 506 2459 9727

Mexico
Karla Cardenas
+ 52 664 681 7844
Roberto Chapa
+ 52 818 152 1853
Rocio Mejia
+ 52 555 283 8672
Jorge Nasif
+ 52 551 101 7327

Peru
Giancarlo Riva
+ 51 1411 4448

United States
Jay Bezek
+ 1 704 331 1975
Lynlee Brown
+ 1 858 535 7357
Sergio Fontenelle
+ 1 212 466 9780
Nathan Gollaher
+ 1 312 879 2055
Michael Heldebrand
+ 1 408 947 6820
Michael Leightman
+ 1 713 750 1335
Sharon Martin
+ 1 312 879 4837
Bryan Schillinger
+ 1 713 750 5209
Prentice Wells
+ 1 408 947 5438
Shane Williams
+ 1 713 751 5715

Asia-Pacific

Australia
Luke Branson
+ 61 3 9288 8369
Kylie Norman
+ 61 2 9248 4765

China Mainland
Lynette Dong
+ 86 21 2228 4107
Yao Lu
+ 86 139 1015 1448
Bryan Tang
+ 86 21 2228 2294
Hong Li Wang
+ 86 10 5815 2307
Dong Xu
+ 86 21 2228 3216
Tina GY Zhang
+ 86 10 58152197

Hong Kong
Tina Robb
+ 852 31894435

Japan
Yumi Haraoka
+ 81 3 3506 2110
Yoichi Ohira
+ 81 3 3506 2110

Korea (South)
Dongo Park
+ 82 23 787 4337

Malaysia
Jalbir Singh Riar
+ 60 3749 58329

New Zealand
Paul Smith
+ 64 9 348 8409

Phillipines
Lucil Vicerra
+ 63 288 948 115

Singapore
Donald Thomson
+ 65 6309 8636

Taiwan
Vivian Wu
+ 886 2 2728 8833

Thailand
William Chea
+ 662 264 9090

Vietnam
Anh Tuan Thach
+ 84 28 3629 7366

Global and Trade knowledge team contacts
Europe, Middle East, India and Africa contacts

Global Trade contacts by jurisdiction continued

Europe, Middle East, India and Africa

Albania, Bulgaria, Kosovo and North Macedonia
Milen Raikov
+ 359 2 8177 155

Austria
Theresa Arlt
+ 43 1 211 70 1102

Belgium
Antoine De Donder
+ 32 2 749 36 90

Erwin De Vos
+ 32 2 774 93 75

Jef d'Hollander
+ 32 4 851 58 852

Christina Horckmans
+ 32 2 774 93 22

Philippe Lesage
+ 32 2 774 92 69

Kristof Verbist
+ 32 2 774 90 86

Keshia Wagner
+ 33 6 61 08 49 83

Denmark
Anne-Mette Høiriis
+ 45 51582559

France
Marguerite Trzaska
+ 33 1 46 93 84 32

Germany
Richard J Albert
+ 49 211 9352 17756

Robert Boehm
+ 49 211 9352 10529

Nadin Nottekämper
+ 49 211 9352 26138

Frank-Peter Ziegler
+ 49 6196 996 14649

Greece
Nicoleta Merkouri
+ 30 697 3773203

Hungary
Attila Fulop
+ 36 30 559 1364

Aron Nagy
+ 36 1 451 8636

India
Ruchi Bhat
+ 91 98 6044 1874

Preetham Chennaveerappa Narasim
+ 91 98 8012 0381

Sourabh Jain
+ 91 98 1800 9094

Suresh Nair
+ 91 98 9275 7475

Agneshwar Sen
+ 91 98 11167838

Ireland
Ciarán Behan
+ 353 1 2211445

Colin Doolin
+ 353 1 2212949

Italy
Alessandra Di Salvo
+ 39 335 7361484

Kenya/rest of Africa
Hadijah Nannyomo
+ 254 20 2886000

Middle East and North Africa
Ramy Rass
+ 971 4 7010900

Netherlands
Caspar Jansen
+ 31 88 407 1441

Bastiaan Kats
+ 31 88 40 73806

Martijn Schippers
+ 31 88 407 9160

Jeroen Scholten
+ 31 88 407 1009

Norway
Øystein Arff Gulseth
+ 47 982 06 387

Narve Løvø
+ 47 982 06 238

Poland
Slawomir Czajka
+ 48 71 711 88 93

Spain
Pedro Gonzalez-Gaggero
+ 34 954 665 246

South Africa/rest of Africa
Redge de Swardt
+ 27 21 443 0637

Sweden
Zoran Dimoski
+ 46 8 52059260

Switzerland
Ashish Sinha
+ 41 58 286 5906

Turkey
Sercan Bahadir
+ 90 212 408 53 41

Yakup Gunes
+ 90 212 408 58 38

Sedat Tasdemir
+ 90 212 408 52 57

United Kingdom
Onelia Angelosanto
+ 44 161 234 0508

Marc Bunch
+ 44 20 7980 0298

Penelope Isbecque
+ 44 113 298 2447

Gerard Koevoets
+ 44 20 7951 6496

Shenshen Lin
+ 44 20 7951 2063

George Riddell
+ 44 20 7951 9741

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