



Shape the future
with confidence

January 2026

Indirect Tax Alert



Carbon Border Adjustment Mechanism (CBAM) – Recent Developments

■ ■ ■
The better the question. The better the answer. The better the world works.

On 31 December 2025, the Directorate of Customs Procedures of the Independent Authority for Public Revenue (IAPR) issued Circular No. 2110/2025, providing guidance on the application of Regulation (EU) 2023/956 on the Carbon Border Adjustment Mechanism (CBAM), in view of the commencement of its definitive phase as of 01 January 2026. The issuance of the Circular coincides, from a timing perspective, with the announcement on 17 December 2025 of a package of proposed amendments by the European Commission, aiming at the further strengthening and development of the CBAM framework. Specifically:

1. Circular No. 2110/2025

Scope of application of the Regulation

The Regulation applies to goods originating in non-EU countries, as listed within the categories of Annex I (cement, iron & steel, aluminium, fertilisers, electricity and hydrogen), when such goods, or processed products thereof resulting from the inward processing procedure for re-export, are imported into the customs territory of the EU. This includes their transfer to an artificial island, fixed or floating structure located on the continental shelf or in the exclusive economic zone (EEZ) of a Member State, provided that such structure is situated in immediate proximity to the EU customs territory.

Exemption threshold

An exemption from the obligations under the CBAM applies where the total net mass of imported covered goods does not cumulatively exceed 50 tonnes per calendar year, excluding electricity and hydrogen.

Where the above threshold is exceeded:

- The importer or the Authorized CBAM Declarant bears full responsibility for complying with all obligations under the CBAM Regulation in respect of the emissions of the imported goods.

- If the importer does not hold the status of an Authorized CBAM Declarant, the competent authority shall issue a relevant decision informing them of the obligation to obtain such status before conducting any further imports.

■ **CBAM Authorized Declarant & indirect customs representation**

- As of 01.01.2026, the importation of covered goods is permitted exclusively by Authorized CBAM Declarants. The issued authorization is valid for imports across all Member States.
- Importers or indirect customs representatives who have submitted an application for the relevant authorization may temporarily continue importing covered goods until a decision is made on their application, but no later than 31.03.2026. After 31.03.2026, the import of such goods will not be permitted without the relevant authorization.
- An indirect customs representative may act as an Authorized CBAM Declarant provided they are appointed by the importer and obtain the relevant authorization, thereby fully assuming the corresponding compliance obligations.

■ **CBAM Registry**

- The CBAM Registry constitutes the EU's electronic platform through which CBAM Declarations will be submitted during the final implementation phase, and where key data for the operation of CBAM will be recorded (e.g., applications and authorizations of CBAM Declarants, imports of covered goods, and emissions reports).
- The Registry provides real-time access and enables information exchange between the European Commission, competent authorities, Authorized CBAM Declarants, and other relevant stakeholders, while interoperating with key EU customs systems (UUM&DS, EORI, SURV3, TARIC).

■ **CBAM Declarations**

- CBAM Declarations are submitted annually and must be filed by the Authorized CBAM Declarant for the previous calendar year (submission is due by 30 September of the following year).
- The Authorized CBAM Declarant remains responsible for the accuracy of the CBAM Declaration, even if the submission has been delegated to a third party.

Fund aims to provide temporary financial support (for production years 2026-2027) to producers of goods at increased risk of carbon leakage, in order to finance decarbonization investments and prevent loss of competitiveness or relocation of production outside the EU.

- Finally, in the context of finalizing the EU-Mercosur trade agreement, which obtained the required Member State support on 09 January 2026 and is pending approval by the European Parliament, the European Commission is considering additional measures to support the EU agricultural sector. Specifically, a temporary suspension of import duties and CBAM-related charges on fertilizer products (e.g., ammonia) is under discussion.

Indicative actions by importers of covered goods

Considering the above, recommended actions for affected businesses include:

- Immediate initiation of the CBAM Declarant licensing process to avoid delays or restrictions on imports.
- Monitoring import volumes on an annual basis to ensure proper application of the exemption threshold.
- Identification of responsible personnel within the company for managing CBAM compliance.
- Development of comprehensive written procedures and policies for controlling compliance management and CBAM certificates.
- Ongoing monitoring and assessment of legislative developments related to CBAM.

2. Recent Developments

- On 17 December 2025, the European Commission proposed a Regulation amending Regulation (EU) 2023/956 on CBAM, extending its scope to include downstream products with high steel and aluminum content (e.g., machinery, components, industrial equipment), and strengthening CBAM Declaration requirements to ensure better traceability of covered products and prevent circumvention.
- If adopted, the proposed changes are expected to enter into force on 01 January 2028.
- Simultaneously, on the same date, the European Commission proposed a separate Regulation establishing a Temporary Decarbonization Fund. The

EY | Building a better working world

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

All in to shape the future with confidence.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

About EY's Indirect Tax services

Indirect taxes affect the supply chain and the financial system. Our network of dedicated indirect tax professionals combines technical knowledge with industry understanding and access to technologically advanced tools and methodologies. We identify risk areas and sustainable planning opportunities for indirect taxes throughout the tax life cycle, helping you and meet your compliance obligations and your business goals around the world. Our globally integrated teams give you the perspective and support you need to manage indirect taxes effectively. It's how EY makes a difference.

For more information, please contact:

Nikoletta Merkouri

Partner, Indirect Tax, EY Greece

Tel: +30 210 2886 572

email: nikoleta.merkouri@gr.ey.com

Efthymios Konstantinidis

Manager, Indirect Tax, EY Greece

Tel: +30 210 6171 437

email: efthymios.konstantinidis1@ey.com

© 2026 EY

All Rights Reserved.

ey.com



EY



EY Greece



eygreece



@EY_Greece



EY Greece

Legal Name: ERNST AND YOUNG Single Member Societe Anonyme for the Provision of Advisory Services

Distinctive title: ERNST & YOUNG BUSINESS ADVISORY SOLUTIONS

Legal form: Societe Anonyme

Registered seat: Chimarras 8B, Maroussi, 15125

General Commercial Registry No: 001576101000