

Review of EU Carbon Border Adjustment Mechanism (CBAM)

Published by AGRINFO on 20 May 2025

[Proposal](#) for a Regulation amending Regulation 2023/956 as regards simplifying and strengthening the carbon border adjustment mechanism

What is changing and why?

This proposal to amend the [Carbon Border Adjustment Mechanism \(CBAM\)](#) focuses on **iron and steel, aluminium, cement, and fertilisers** imported to the European Union (EU). **CBAM does not apply to agricultural products.**

It is proposed to:

- remove 90% of companies currently impacted by the CBAM obligations, while still covering 99% of the carbon dioxide emitted in non-EU countries when producing goods exported to the EU
- facilitate compliance with CBAM for the EU importers that remain in the scope of the Regulation.

The proposed new rules for CBAM are based on feedback collected during a transitional phase (2023–2025).

CBAM focuses on six high greenhouse gas-emitting sectors: iron and steel, aluminium, cement, fertilisers, and also electricity and hydrogen. It requires EU importers of these goods to declare the amount of greenhouse gas emissions in their imports and, from 2026, to buy greenhouse gas emission allowances. For more information see: [Carbon border adjustment mechanism \(CBAM\)](#).

Timeline

The Council of the EU (Member States) and the European Parliament will review and amend the proposal, a process that can take 2–3 years. The Commission has requested accelerating the negotiations to reach an early agreement.

For more information see the [full record](#) on the AGRINFO website – where you can also view the latest [AGRINFO Update](#) newsletters and [search](#) the database.

Disclaimer: *Under no circumstances shall COLEAD be liable for any loss, damage, liability or expense incurred or suffered that is claimed to have resulted from the use of information available on this website or any link to external sites. The use of the website is at the user's sole risk and responsibility. This information platform was created and maintained with the financial support of the European Union. Its contents do not, however, reflect the views of the European Union.*