

# Synopsis report on Calls for Evidence on the implementing act on the carbon price paid in third countries for the definitive phase of the CBAM

## 1. EXECUTIVE SUMMARY

On 28 August 2025, the European Commission launched three Calls for Evidence (CfEs) to support the preparation of the implementing acts for the definitive phase of the Carbon Border Adjustment Mechanism (CBAM). This specific consultation aimed to gather stakeholder input on technical and administrative aspects of converting foreign carbon costs into a reduction of the CBAM liability, including proof of payment, currency conversion, and eligibility of third-party certifiers.

A total of 158 responses were assessed, comprising 145 direct submissions and relevant contributions from related consultations. Respondents represented a diverse mix of companies, business associations, public authorities, NGOs, and academics, with 76% of inputs from businesses and associations. Geographically, responses were almost evenly split between EU-based stakeholders (54%) and third-country participants (46%), with significant input from China, Türkiye, and the United Kingdom. Sectoral engagement was strongest in iron and steel (36 responses), followed by electricity, aluminium, and chemicals.

Stakeholder feedback focused on these core topics:

- **Eligibility of Carbon Pricing Instruments:** Stakeholders voiced broad support for recognising robust third-country schemes such as the UK ETS and China's ETS, with calls for clear equivalence rules and exclusion of taxes or levies. Some actors in opposition called for all climate related taxes paid within their own respective countries, including carbon credits, climate related taxes or offsets, to be eligible. Many discussed whether credits under Article 6 of the Paris Agreement and voluntary offsets should count. Views diverged: some favoured broad inclusion, while others limited eligibility to government-mandated, verified credits. Concerns included additionality and double counting, with calls for only certified instruments in regulated markets.
- **Rebates, Compensations & Effective Price Paid:** Widespread consensus that rebates must not undermine CBAM objectives existed; especially EU respondents favoured strict exclusion, while some third-country stakeholders sought comprehensive deductions. A strong emphasis on aligning definitions with EU ETS principles was given, avoiding double charging, and ensuring transparency through published reference prices.
- **Proof of Payment:** Stakeholders urged practical, standardised documentation (e.g., government-issued receipts) and digital solutions to reduce administrative burden and prevent fraudulent behaviour.
- **Currency Conversion:** Calls for a transparent, standardised methodology, with clarity on applicable exchange rates and time windows were remarked.
- **Accreditation and Independence:** Widespread support for internationally inclusive standards, mutual recognition agreements, and recognition of accreditation linked to frameworks like ISO and GHG Protocol frameworks.
- **Recognition of National Systems:** Some stakeholders warned against EU-only accreditation, citing risks of trade barriers and excessive costs for non-EU manufacturers.
- **Administrative Simplicity and Digital Integration:** Strong calls for streamlined processes were voiced, as well as harmonised templates, and IT-enabled compliance.

Generally, the consultation on the inclusion of carbon pricing paid in third countries under the CBAM framework revealed strong overall support for the mechanism's objectives, but it also highlighted the complexity of translating these principles into practical rules. Stakeholders broadly agreed that the

system must be grounded in clarity, **predictability, and fairness to maintain environmental integrity** while avoiding competitive distortions. At the heart of the discussion was the need for harmonisation with existing EU ETS principles. Respondents consistently stressed that any methodology for recognising foreign carbon costs should align with established standards to ensure consistency and credibility across jurisdictions.

**Transparency** was another cornerstone of stakeholder feedback. Respondents urged the Commission to publish clear guidance, including reference prices, and lists of recognised carbon pricing instruments to foster trust and predictability. They also called for explicit rules on rebates and compensations, warning that undisclosed subsidies could erode CBAM's environmental objectives. Diverging views between EU and non-EU participants were somewhat evident: while many EU stakeholders tended to favour stricter exclusion of rebates, several third-country respondents pressed for comprehensive deductions of carbon costs paid abroad, underscoring the need for a balanced approach that respects both fairness and competitiveness.

The consultation also underscored the importance of internationally inclusive accreditation standards. Stakeholders cautioned against limiting verification to EU-accredited bodies, arguing that such restrictions could create unnecessary trade barriers and increase compliance costs. Instead, they advocated for mutual recognition agreements and alignment with globally recognised frameworks such as ISO 14064 and the GHG Protocol. This approach was seen as essential to maintaining credibility while facilitating participation from diverse markets globally.

## 2. INTRODUCTION AND SCOPE OF WORK

To support the preparation of the implementing acts for the definitive phase of the CBAM, the European Commission (DG TAXUD) launched 3 CfEs<sup>1</sup>. Each Call focused on one of the implementing acts that will operationalise key elements of the CBAM framework:

- Implementing act on the calculation methodology – rules for determining embedded direct and indirect emissions in CBAM goods, including the use of actual values and default values.
- Implementing act on free allocation adjustment – rules for adjusting the number of CBAM certificates to be surrendered in order to reflect the gradual phase-out of free allocation under the EU ETS.
- Implementing act on carbon pricing – rules for deducting from the CBAM liability the explicit carbon price paid in a third country.

Through these CfEs, stakeholders were invited to provide feedback, information, data and evidence on the technical, practical and administrative implications of the proposed rules for these implementing acts.

### 2.1 Outputs of this work

The overarching objective of this Synopsis Report is to provide evidence-based input to the Commission's preparation of the implementing acts for the definitive phase of CBAM by consolidating and analysing stakeholder feedback from the 3 CfEs.

More specifically, the report aims to:

- provide an integrated overview of stakeholder feedback, organised by key topic.

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<sup>1</sup> [https://taxation-customs.ec.europa.eu/news/cbam-call-evidence-emission-methodology-free-allocation-adjustment-and-carbon-price-paid-third-2025-08-29\\_en](https://taxation-customs.ec.europa.eu/news/cbam-call-evidence-emission-methodology-free-allocation-adjustment-and-carbon-price-paid-third-2025-08-29_en)

- highlight areas where stakeholder views converge or diverge, including differences between stakeholder groups and sectors.
- identify issues that may have implications for the design, implementation or administration of the three implementing acts.

## 2.2 Scope and stakeholders

The consultations were open to all members of the public, both within the EU and internationally. The scope of contributions included:

- comments on the design, clarity and feasibility of the methodologies set out in the CfEs;
- evidence concerning data availability, sector-specific constraints or operational challenges;
- sectoral perspectives from producers, importers, traders and associations active in CBAM-covered industries;
- views from non-EU stakeholders, including major exporting countries; and
- general commentary on the broader policy context, including issues outside the scope of the implementing acts (reported statistically only).

## 3. CONSULTATION METHODOLOGY

### 3.1 Analytical approach

The Calls for Evidence invited stakeholders to provide input through stand-alone, open-ended questions and, where relevant, attachments such as position papers. Stakeholder submissions were often extensive, heterogeneous in structure, and varied widely in the level of detail provided. The analytical approach was designed to treat this material consistently across the three CfEs and to ensure comparability between them.

Stakeholder inputs were then reviewed and mapped to a predefined set of key topics and sub-topics reflecting the structure of the Commission's CfEs. This process combined manual review with targeted keyword searches to ensure that all comments relevant to the methodology were captured, regardless of how stakeholders structured their submissions.

## 4. Analysis of responses to the three Calls for Evidence

### 4.1 Overview of respondents to the Calls for Evidence on Carbon Price Paid

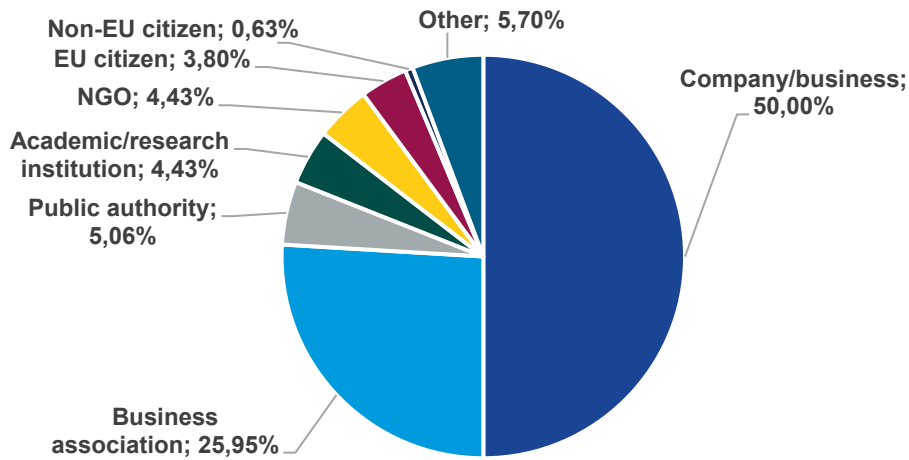
Stakeholders submitted 145 responses to the CfE on carbon price paid in a third country. In addition, 5 responses to the CfE on Free Allowances and 8 responses to the CfE on Methodology included relevant input. As a result, a total of 158 stakeholder responses were assessed for this CfE. 96 responses (61%) chose to include an attachment, and 62 responses (39%) consisted of free-text input.

The stakeholder base was diverse. Companies and business associations accounted for the largest share with 76% of all responses, with 50% (79 responses) coming from companies or businesses, while business associations contributed 26% (41 responses). Public authorities submitted 8 responses, and academic and research institutions and non-governmental organisations submitted 7 responses each. 6 submissions were from EU citizens and 1 from a non-EU citizen.

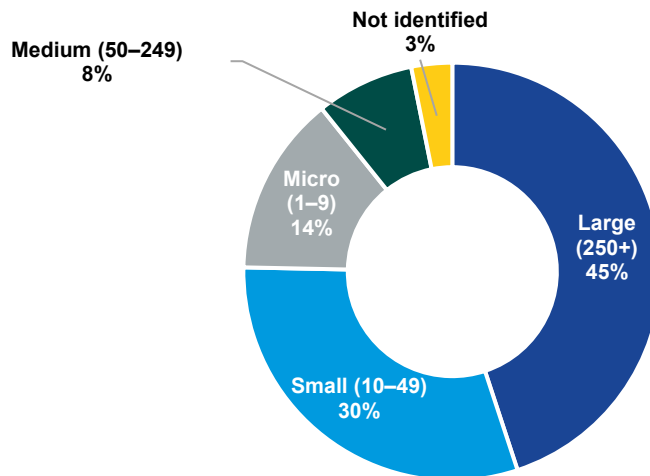
When considering organisation size, large enterprises dominated the submissions, with 71 responses, or 45%, originating from organisations with more than 250 employees. Smaller organisations also featured prominently, with 48 responses from small enterprises employing between 10 and 49 people,

and 22 responses from micro-enterprises with <10 employees. Medium-sized organisations, with 50 to 249 employees, accounted for 12 responses.

**Figure 1 Responses by Organisation Type**

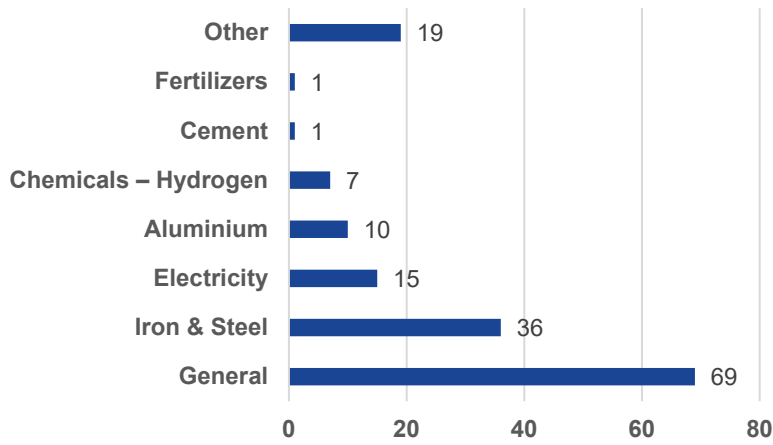


**Figure 2 Responses by Organisation Size**



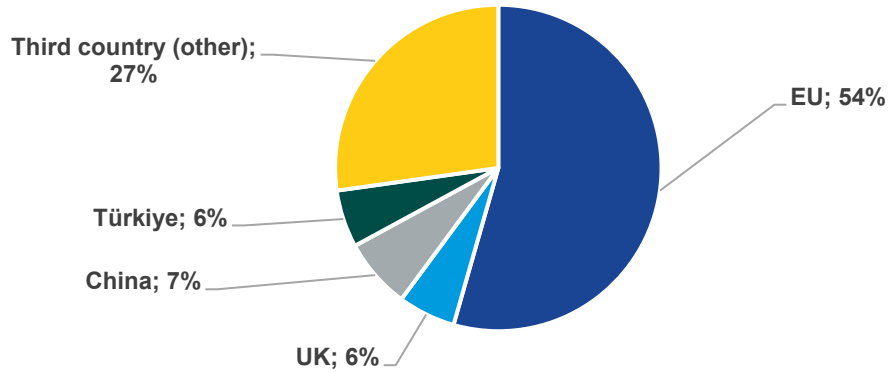
Responses spanned a range of sectors. The largest category was general CBAM industries, meaning any other industry affected by the CBAM other than the ones further specified within this review, for example respondents from the automobile, glass, or oil/gas sectors, which accounted for 69 responses (43.7%). More specific industries amongst respondents included iron and steel with 36 responses, electricity with 15, aluminium with 10, and chemicals-hydrogen with 7. Cement and fertilisers each accounted for 1 response, while 19 submissions were from sectors which were not directly CBAM-affected industries.

**Figure 33 Number of Respondents per Sector**



Geographically, responses were almost evenly split between EU-based stakeholders and those from third countries, with 54% originating within the European Union and 46% from outside. Among non-EU respondents, the majority came from China, Türkiye and the United Kingdom.

**Figure 4 4 Geographical Distribution of Respondents**



## 4.2 Quantitative and qualitative analyses of stakeholder responses

In several instances, respondents raised points that fall outside the scope of the implementing acts under consultation. These include political positions, broader policy considerations, or issues that would require amendments to the CBAM Regulation itself or even to the EU ETS Directive. For such inputs, only statistical information was collected, namely how frequently each topic was mentioned and by which sectors, without further qualitative analysis. Examples of out-of-scope issues raised by stakeholders include:

- Concerns around competitiveness and risk of trade bilateral disputes
- Suggestions to link the UK and EU ETS, accompanied by mutual exemptions from CBAM obligations.
- Impact of CBAM on cross-border electricity trading
- Adjustment to CBAM scope

A similar statistical-only approach was applied to generic claims, such as high-level calls for reduced administrative burden, where stakeholders did not provide concrete methodological issues or actionable proposals. The detailed quantitative analysis of stakeholder inputs, together with the

identification of core methodological issues and the options proposed by respondents for addressing them, is presented in the following sections.

### 4.3 Key topic areas

9 key topic areas were identified (highlighted in table below), based on the topics of interest mentioned in the CfE by the Commission and the analysis of stakeholder responses undertaken. These were classified into 2 categories: evidencing of price paid & conversion to euro's and eligibility rules for third-party certifiers. Analysis of the summary of responses provided by topics raised by stakeholders are presented in the following sections.

Category	Key topic area
Evidencing of price paid & conversion to euro's	Eligibility of specific carbon pricing instruments
	Consistency of emissions covered by the carbon price and by the CBAM
	Determination of possible rebates in the carbon pricing instrument
	Effective price paid
	Proof of payment
	Currency conversion methodology
Eligibility rules for third-party certifiers	Administrative burden and data integrity
	Accreditation & independence
	Recognition of national verification systems

#### 4.3.1 Issues raised by stakeholders by key topic

##### Eligibility of specific carbon pricing instruments

A total of **74 responses** addressed the topic of eligibility for specific carbon instruments. Companies and business associations dominated these submissions, with most adopting a neutral but broadly supportive tone. Respondents were primarily located within the European Union, notably in Germany and Belgium, while contributions also came from outside the EU, particularly from China and Türkiye. Among industry sectors, iron and steel featured most prominently, with 35 responses, followed by electricity, aluminium and chemicals (hydrogen).

Stakeholders broadly supported the CBAM approach, emphasising the need for clarity, predictability, and fairness in recognising third-country carbon pricing systems. There generally was a strong call for the recognition of foreign schemes to avoid double charging and ensure equivalence. Some respondent highlighted that not only national but also sub-national carbon tax schemes should be recognised, such as regional carbon pricing mechanisms.

Regarding the type of schemes to be recognised, the majority of respondents stressed that only genuine, explicit, and verifiable carbon costs should be recognised, cautioning against the inclusion of unrelated taxes or levies. Several stakeholders argued that the recognition of carbon pricing under CBAM should follow a cautious and conservative approach to safeguard its environmental integrity and ensure a level playing field for EU producers. They stressed that only effective, explicit and net carbon costs applying to the entire domestic production in the country of origin should be taken into

account, and only where the overall climate policy framework is ambitious, transparent and robust. According to these responses, carbon pricing mechanisms or taxes that are offset by direct or indirect rebates should therefore not be recognised, nor should other cost components such as energy taxation.

In addition, stakeholders emphasised that CBAM should only recognise officially regulated compliance-based carbon pricing systems, citing established emissions trading schemes as relevant benchmarks. Established schemes given as examples included the UK ETS and China's national ETS. Voluntary offsetting measures, including carbon credits from unregulated or voluntary markets, were by many considered inappropriate for CBAM purposes due to concerns over monitoring, credit quality, and the risk of double counting in the absence of a unified accounting framework. Any potential recognition of carbon credits, according to these views, should be strictly limited to solid, verifiable certifications aligned with EU standards.

In opposition, some called for a broadening of the carbon price terminology to include all climate-related costs borne under non-EU regulatory schemes and voluntary markets such as fuel and electricity taxes; as well as the recognition of instruments and certificates currently anticipated to be out of scope of the methodology, such as RECs and IRECs which were specifically mentioned by respondents from Egypt and the United Arab Emirates. One governmental representation added to this by noting that carbon-intensive products are already subject to multiple taxes and fees at different stages of production and trade and called for corresponding deductions under CBAM to prevent double taxation for all these types of taxes and levies.

Regarding the recognition of voluntary carbon markets and offsets specifically, several stakeholders advocated for the recognition of such mechanisms within CBAM where these are used as part of domestic compliance frameworks in third countries. They pointed to jurisdictions such as Singapore and South Africa where carbon tax or ETS liable entities are permitted to discharge part of their obligations through eligible offsets. A significant portion of these advocated in favour of the inclusion of Article 6 carbon credits and argued that such payments should be considered as a carbon price paid for the purposes of CBAM. Stakeholders emphasised that recognition for these schemes should be conditional on clear quality and governance criteria. They suggested that offsets should only be accepted where they are nationally regulated, form part of an official compliance regime, and rely on internationally recognised standards (such as Verra, Gold Standard, CDM or Article 6 carbon credits). Several contributions stressed the importance of applying robust quality thresholds, including requirements on additionality, permanence, accurate quantification and verification, to ensure the environmental integrity of accepted credits. Some respondents also noted that voluntary carbon markets could complement compliance mechanisms by channeling finance towards mitigation activities without directly inflating commodity prices, provided that their use is subject to clear rules and transparency.

In summary, stakeholders highlighted the significant complexity and practical obstacles associated with evaluating a diverse array of carbon pricing mechanisms across jurisdictions. They stressed that the adoption of transparent, robust, and harmonised rules is critical to maintaining the environmental integrity and operational fairness of CBAM. There was broad consensus among respondents that the implementing legislation should provide precise guidance on key aspects, including:

- Explicit identification of which national, sub-national, and regional carbon pricing schemes—and which voluntary and compliance-based offset systems—will be accepted for deduction purposes.
- Clarification on the treatment of rebates, compensations, and multiple taxes or fees paid at different stages of production and trade, especially with respect to avoiding double counting or double taxation.
- Clear eligibility criteria for recognising liabilities settled through approved offset mechanisms, (such as internationally certified carbon credits in alignment with Article 6 of the Paris

Agreement and voluntary markets) quality thresholds (additionality, permanence, quantification, verification), and whether these payments qualify for CBAM deductions.

### **Determination of possible rebates in the carbon pricing instrument**

**65 responses**, representing around 41% of all submissions, addressed the issue of rebates and compensations within carbon pricing instruments. Companies and business associations dominated this discussion, with most comments adopting a neutral tone but raising concerns or requesting specific additions to the CBAM framework. Positive remarks were rare and largely came from NGOs, while negative comments clustered around companies and business associations. Respondents were primarily located in the EU, notably Germany and Belgium, with significant input from third countries such as China, Türkiye and the United Kingdom. The most active sectors beyond general industry were iron and steel, electricity, aluminium and chemicals (hydrogen).

A recurring theme was the rebate mechanism itself. Stakeholders **broadly agreed that rebates, subsidies and compensations must not distort CBAM's objectives**. Stakeholders called for explicit rules and independent verification to ensure that rebates, subsidies, and exemptions are fully accounted for when calculating net carbon costs. There was a divergence in tone between EU and third-country respondents, with the former favouring stricter exclusion of rebates and the latter seeking comprehensive deductions for carbon costs paid abroad. Many called for explicit rules and independent verification to ensure that any rebates granted by third-country authorities are fully accounted for when calculating net carbon costs. Several respondents stressed that indirect and hidden rebates should also be considered, while others argued for excluding exemptions and subsidies from recognised costs to maintain fair competition. Calls for transparency were frequent, with suggestions such as: *“Develop regular country reports detailing tax regimes, subsidies, rebates and other support schemes ... ensuring disguised rebates are fully accounted for.”* Differences in tone emerged between EU and third-country respondents. **EU voices tended to emphasise stricter policies for the exclusion of rebates** in the calculation for determining carbon price paid. **By contrast, third-country respondents focused on ensuring comprehensive deductions for carbon costs paid abroad**, with comments such as: *“All carbon costs paid abroad must be fully deducted from CBAM charges... The deduction mechanism must be comprehensive and straightforward”*

Procedural clarity was another major concern. Respondents highlighted the need for clear processes to prove payments and claim deductions, recommending granular, ETS-like reporting and verification requirements. They also called for rules allowing aggregation of multiple instruments into one effective price and alignment of definitions and accounting methods between systems. Several stakeholders urged CBAM to also mirror EU ETS methodology, arguing that this would simplify implementation and reduce complexity. Transparency and the prevention of greenwashing were repeatedly emphasised. Respondents called for mandatory disclosure of subsidies and rebates, and standardised reporting obligations.

### **Effective price paid**

**71 responses** (45% of all submissions) addressed the question of how to determine the “effective price paid”. The prevailing sentiment was negative or neutral, with very few positive entries. Criticism clustered most strongly around consistency with the EU ETS in terms of the price carried by domestic and importing producers, and the robustness of reporting rules. Respondents were concentrated in the EU, particularly Germany and Belgium, but there was also substantial input from China, Türkiye and the United Kingdom, mirroring the geographical spread seen elsewhere in the consultation. Beyond general industry, the most active sectors were iron and steel (35 responses), electricity (15), aluminium (10) and chemicals–hydrogen (7).

Stakeholders provided opinions on whether the definition of effective price paid should be interpreted narrowly to reduce administrative burden or more broadly to capture a fuller picture of carbon pricing in third countries. It is understood that a narrow interpretation counts only direct carbon pricing instruments like ETS and carbon taxes and their associated costs, while a broad interpretation also includes the pricing of indirect measures and offsets to reflect the full cost of carbon. Closely linked to the definition were concerns about rebates and subsidies. Respondents warned about the risk of disguised support eroding carbon prices, including the recirculation of carbon revenues back to firms. These comments echo the broader rebate discussion elsewhere in the consultation and underline the need to distinguish net, paid carbon costs from nominal prices that are offset by compensatory schemes.

Avoiding double charging was another prominent strand. Stakeholders urged the Commission to ensure that payments made in third countries are properly recognised, and that rules are sufficiently clear, and sufficiently broad, to encompass relevant taxes, duties and upstream costs. This relates to the general category of eligibility of third country carbon pricing accepted within the CBAM, with respondents generally expressing concerns regarding competitiveness and carbon leakage- risks. Several stakeholders advocated for mechanisms that would enable reciprocity, emphasizing the need to prevent double charging by establishing mutual recognition of payments in comparable carbon pricing systems. Some participants suggested that all taxes, duties, and charges should be acknowledged as evidence of a carbon price paid in a third country to maintain fairness. Others supported an outcome-based approach, proposing that recognition should be determined by the actual reduction in tonnes of CO<sub>2</sub> rather than by monetary value, as they believed the Commission's currency conversion could introduce distortions.

Evidence, reporting and verification requirements were seen as pivotal to credibility. Many emphasised that recognition must rest on actual costs borne, not headline or theoretical prices: To underpin consistency of the applied principles and rules over time, respondents proposed regular reference updates in the form third country carbon pricing reports. Consistency with the EU ETS was repeatedly requested. Respondents urged the Commission to align CBAM methodologies and to permit aggregation where multiple instruments contribute to the carbon price borne by a product.

Beyond the overall recurring themes, there also was special interest from the electricity sector regarding this topic of effective price paid. Concerns regarding the sector were voiced in multiple responses, stressing that electricity traded on foreign power exchanges often internalises carbon costs in market prices, yet the anonymity of transactions makes it difficult to verify which flows have incurred a carbon price. Respondents called for a sector-specific approach that reflects these market conditions and ensures proportional application of CBAM. Several proposals focused on replacing the Commission's yearly average carbon price with a daily average price published by recognised sources, such as the UK ETS settlement price on ICE, to provide accurate visibility and equal treatment for importers. Overall, stakeholders urged the Commission to clarify timelines, publish transparent reference prices, and adopt dynamic methodologies aligned with real system emissions to avoid distortions and maintain competitiveness.

Taken together, the responses on Effective Price Paid show broad support for recognising genuine, verifiable carbon costs while pressing for a definition of "effective price paid" that is workable in practice, aligned with ETS principles, resistant to greenwashing, and predictable enough to avoid trade disruption and carbon leakage.

## **Proof of payment**

**53** responses (34% of all submissions) addressed the topic of proof of payment. Proof of payment refers to the documentation importers must provide to demonstrate that a carbon price has been effectively paid in the country of origin for the goods being imported. This evidence is essential for determining whether a deduction should apply, ensuring that carbon costs are not charged twice and

that adjustments are fair and transparent. Overall sentiment was largely neutral, with a few positive remarks from companies agreeing with the principles proposed in the CBAM legislation. Geographically, most responses came from the EU, specifically Belgium, with similar contributions from China, Denmark, and Germany. From an industry perspective, general industry had the most responses (25 responses), followed by iron and steel (13 responses), electricity (6 responses), aluminium (3 responses), and chemicals–hydrogen (3 response).

Generally, responses focused on the need for practical, credible, and harmonised proof-of-payment requirements. Stakeholders recommended clear, standardised, independent verification, and digital solutions to reduce administrative burden. The electricity sector presented unique challenges, with calls for sector-specific approaches given the anonymity of power exchanges.

A central theme across stakeholder responses concerned the clarity and credibility of proof-of-payment requirements, specifically regarding what constitutes acceptable evidence that a carbon price has been paid in the country of origin. Respondents emphasised that documentation requirements should be practical and some proposed that acceptable evidence should include utility bills, government-issued receipts, and recognised certificates. Several stakeholders cautioned that overly complex evidence standards would increase administrative burden without improving accuracy, particularly for firms with large and diverse supplier networks. To ensure consistency and reduce uncertainty, some respondents recommended a detailed and binding list of supporting documents that importers and exporters can reliably follow. Additionally, stakeholders highlighted the importance of independent verification and international alignment, arguing that explicit standards must be set for the type of documentation, certification, and independent verification required, and that alignment with internationally recognised verification standards would enhance credibility and reduce the risk of fraud. Others stressed that proof of payment issued by an official authority in a third country should be directly recognised, noting that government-issued documents already carry high authenticity and should not require redundant certification by another third-party body. Where third-party verification remains necessary, respondents urged the Commission to clearly define the qualifications and role of the independent person to avoid ambiguity and ensure uniform application across Member States. Collectively, these responses underscore that a robust proof-of-payment framework requires both rigorous verification and clarity on acceptable evidence, providing confidence in CBAM deductions while safeguarding fair competition.

Many respondents emphasised the need to simplify the proof of payment process to reduce administrative complexity, particularly for SMEs and supply chains involving multiple upstream suppliers. Stakeholders called for streamlining verification procedure, utilising digital tools and harmonised templates and recommended that importers submit certified emissions values rather than extensive raw technical documentation, noting that this flexibility would greatly reduce administrative burden and enhance practicality. Several stakeholders cautioned that current requirements risk becoming unmanageable in complex supply chains, arguing that individual proof of each combination of CN code, country of origin and supplier would entail a disproportionate additional burden. To address this, they proposed that one proof per supplier should be sufficient, with documentation uploaded once to the CBAM portal and reused for subsequent declarations. Collectively, these responses highlight a preference for a digital, proportionate, and user-friendly proof of payment system that minimises administrative workload while preserving traceability and ensuring compliance with CBAM obligations.

Building on the discussion of simplification, some respondents underscored that simplifying proof of payment requirements is substantially more complex in the electricity sector because of the distinctive characteristics of electricity markets. As electricity is traded anonymously and repeatedly, a few stakeholders observed that demonstrating that the carbon price paid on exported volumes paid is challenging. This is attributed to the challenges to trace electricity once transmitted into the grid, making it indistinguishable in wholesale markets to differentiate renewable from fossil-based generation. In view of these structural limitations, several stakeholders argued that no physical proof of carbon price payment should be required by electricity importers if the third country has a recognised and enforced carbon-pricing mechanism.

## **Consistency of emissions covered by the carbon price and by the CBAM**

**23** responses (15% of all submissions) addressed how to assess the consistency between emissions covered by the carbon price and those under the CBAM. The overall sentiment was predominantly neutral to negative, mainly from companies and business associations, with a few positive comments from public authorities. Most respondents were based in the EU, distributed fairly evenly across Germany, Belgium, and the Netherlands, with some contributions, including but not limited to China, Australia, and the United Arab Emirates. Beyond general industry (8 responses), the most active sectors were iron and steel (7 responses), electricity (3), chemicals–hydrogen (2), and aluminium (1).

Stakeholders raised significant concern about the lack of clarity and consistency in how emissions are covered under carbon pricing systems and CBAM. Several respondents highlighted without citing specific examples, that carbon pricing schemes vary in coverage of sector and to account for this proposed that either the presumptive carbon price should only be applied to a portion of the embodied emissions, or the credit rate should be adjusted accordingly. Inconsistencies in emissions coverage directly feeds into concerns about misaligned credit when CBAM attempts to recognise carbon prices paid abroad. Stakeholders stressed that misalignment in scope risks double counting or under-crediting, undermining CBAM's core objective of reducing global emissions. Several comments pointed to the complexity of global supply chains and the difficulty of proving that a carbon price paid abroad corresponds to the same emissions CBAM covers.

Across all responses, stakeholders agree that determining the consistency of emissions covered by carbon prices and those covered by CBAM is the central technical and administrative challenge of the entire CBAM deduction system. They emphasise that the two systems (carbon price vs. CBAM) rarely match in terms of emissions scope, GHGs covered and boundaries. Existing documentation and verification standards are insufficient to reliably prove consistency. Harmonised rules are essential to bridge the gap.

## **Currency conversion methodology**

**24** responses (15% of all submissions) addressed the methodology on currency conversion. The overall sentiment was largely neutral across most organisation types, with a few positive remarks from companies and business associations. Respondents primarily offered recommendations and sought clarification. Most responses came from China, Belgium, and Germany. Iron and steel is the top industry respondent (11 responses), followed by a general industry (8 responses), aluminium (3 responses), and electricity (two responses).

Stakeholders emphasised the importance of a standardised currency conversion methodology in translating carbon prices paid in third countries into euros for CBAM purposes. While some respondents simply expressed support for the Commission's ambition to use a methodology that converts the price paid in a foreign currency to euro, the majority called for greater specificity. Stakeholders requested greater clarification on aspects such as currency conversion rates (single-day or average rate), if averages should be weekly, monthly, quarterly, or annual, eligible time window for payments to be considered, and any conversion rates applicable for adjusting methodological differences. Beyond establishing a standardised currency conversion framework, stakeholders noted the need for clarity and simplicity in applying the methodology to reduce administrative burdens and prevent disputes. Others emphasised the importance of publishing applicable exchange rates on a regular basis to ensure uniformity and avoid disputes. Together, these responses underline a call for standardisation, transparency, and simplicity in currency conversion methodology to aid administrative efficiency and consistent application of CBAM.

## Accreditation and independence

**40** responses (24% of all submissions) addressed the topic of accreditation and independence of third-party certifiers. Most responses came from third countries (22 responses) with quite an even split across countries. From an industry perspective, the highest number of responses came from the general industry sector (13 responses), followed by iron and steel (9 responses), non-CBAM sectors such as universities and ministries (5 responses), chemicals and hydrogen (4 responses), aluminium (3 responses), electricity (2 responses), and cement (1 responses).

Overall, respondents called for rigorous yet proportionate requirements, aligned with established frameworks such as ISO 14064 and the GHG Protocol, and mutual recognition agreements between the EU and third countries to ensure global consistency and lower costs. Concerns were raised about potential trade barriers if only EU verifiers are recognised. Respondents recommended leveraging existing national accreditation structures, digital integration, and sector-specific guidance to simplify administration, facilitate compliance for non-EU manufacturers and SMEs, and maintain the credibility and efficiency of the CBAM.

Stakeholders emphasised the need for clear eligibility and qualification standards for third-party certifiers of carbon pricing evidence, advocating for transparent and well-defined rules to guarantee the independence, accountability, and competence of certifiers. There was widespread support for internationally inclusive standards, with many calling for recognition of certifiers beyond EU-accredited bodies. Aligning CBAM verification processes with established frameworks—such as ISO 14064, the GHG Protocol—was suggested, alongside mutual recognition agreements with third countries to avoid duplicated effort, lower costs, and promote global consistency. Stakeholders called for consistency and robustness in verification standards to uphold the integrity of the CBAM system, noting that requirements should be stringent aligning with EU ETS rules to avoid loopholes yet proportionate to avoid excessive complexity.

Concerns about equitable access and trade barriers were repeatedly raised. Restrictive requirements, such as mandating EU-only accredited verifiers, were highlighted as potential hidden trade barriers. Stakeholders urged acceptance of qualified local or third-country verification bodies, provided they meet internationally recognized standards. There was broad support for the development of local systems, mutual recognition agreements, and sector-specific guidance, as well as harmonised templates and proportionate evidence requirements, to ensure consistent implementation and clarity for all parties. Overall, the engagement revealed a preference for a pragmatic, internationally harmonised, and transparent approach to third-party certification under CBAM, balancing rigour, accessibility, and fairness. Respondents also highlighted the value of administrative simplicity and digital integration, recommending streamlined certification workflows, digital automation, clear guidance, and accredited databases and tools. These measures were particularly vital for non-EU manufacturers and SMEs, aiming to reduce administrative burdens and facilitate compliance.

## Recognition of national systems

**Eleven** responses (7% of all submissions) addressed the topic of recognition of national systems. Overall sentiment was largely neutral, with a few negative views. Respondents were primarily from third countries such as United Kingdom, Thailand, Egypt, Japan, Serbia and Singapore.

Respondents highlighted the technical and administrative challenge of aligning emissions covered by carbon pricing systems and CBAM. There was strong support for harmonised, verifiable methodologies and reliance on actual emissions data, with international standards (e.g., ISO, GHG Protocol) cited as benchmarks. Simplification and standardisation of evidence requirements were seen as essential to avoid disproportionate burdens.

A key issue raised concerns the need for international recognition and inclusivity within the CBAM verification framework. Several respondents highlighted that verification of third-country carbon prices

is one of the most challenging aspects of CBAM implementation, as EU importers are facing major difficulties in obtaining evidence that is both reliable and verifiable. To address this, they proposed that verification bodies should be included regardless of their legal establishment location, by recognising verifiers accredited by internationally recognised organizations (such as the International Accreditation Forum). Respondents also highlighted the importance of leveraging existing accreditation structures provided they meet clear eligibility criteria, to ensure credibility. Stakeholders also noted that the qualification standards should be internationally inclusive and that a certification body should be accepted if it meets internationally recognised certification standards and is accredited by the national certification authority of its home country. Respondents warned that if CBAM only recognised certification bodies within the EU, it would increase the costs and burdens for enterprises and may constitute a hidden trade barrier. Others emphasised the need for methodological consistency, building on existing international protocols (ISO 14067, GHG Protocol, LESS, etc.), as well as the EU ETS MRV rules, to avoid duplication and excessive burden. This highlights that harmonisation is not only about recognising foreign systems but also about aligning technical standards to maintain credibility and efficiency.

### **Administrative burden and data integrity**

Of the 158 submissions received, 16 responses addressed this theme. The majority came from the “General” industry (14), with 1 each from “Iron & Steel” and “Aluminium”. Stakeholders included seven companies, 5 business associations, 2 academic or research institutions, 1 public authority, and 1 EU citizen. Overall sentiment was mixed: negative views cited fraud risk, administrative burden, and lack of clarity, while neutral and positive notions offered constructive proposals for simplification and digital integration.

A recurring theme was the need for procedural simplicity. Stakeholders called for the use of default emission values, linking CBAM obligations to customs procedures, and reducing bureaucracy. Fraud and circumvention risks were also highlighted. Respondents warned of manipulation, misclassification, and deliberate fragmentation of imports to avoid CBAM obligations. Data accuracy and classification consistency of products emerged as another critical issue. Stakeholders pointed to mismatched CN and NACE codes: One party highlights the risk that inconsistencies between CN and NACE codes and the selective inclusion of products may enable misclassification and fragmentation of production processes, while another stresses the broader risk of CBAM circumvention arising from these issues, particularly in complex value chains. Further, participants stressed the importance of using credible sources and recent data for calculations.

Transparency and consultation were also seen as essential. Several responses requested public consultation on deduction rules to build consensus and ensure fair implementation. Finally, proposals for digital integration featured prominently among constructive suggestions. Stakeholders advocated for linking CBAM systems with EU digital registries to streamline compliance and enhance security. In summary, stakeholders broadly agreed on the need to reduce administrative burden, ensure data integrity, and strengthen fraud prevention. While concerns were raised about complexity and risk, many responses offered practical solutions such as default emission values, digital integration, and transparent consultation processes.

### **4.3.2 Co-ordinated responses (campaigns)**

Co-ordinated responses refer to cases where a company or business association encourages its members to submit identical inputs, such as position papers repeating the same points, or joint submissions. In total, 14 such responses were identified and grouped into three distinct response sets.

Respondent ID & Name	Sector	Main Issues Raised
<b>Joint response paper: EU and GB Transmission System Operators</b> (United Kingdom and Ireland)	Electricity	Negative consequences of CBAM on electricity trade; Strong call to proceed with linking the EU ETS and UK ETS as agreed in the EU–UK Summit to avoid CBAM-related trade barriers; propose a temporary exemption from CBAM for UK electricity imports; urge the EC to recognise UK ETS + Carbon Price Support (CPS) as equivalent to EU ETS for CBAM purposes; and propose an ex-ante yearly default carbon price for third countries, published by the EC before each delivery year.
<b>EUROFER paper (Finland, Belgium and Poland)</b>	Iron & steel	Apply a conservative and verifiable approach to the deduction of foreign carbon prices in CBAM; UK ETS is cited as a representative benchmark for recognition; direct or indirect rebates should be fully accounted; other form of cost (e.g. energy taxation) should not be recognised
<b>Join response paper: FEC/IVSH (Germany)</b>	General	Risk of carbon leakage and cost asymmetry; extension of CBAM scope (include high-risk downstream products with more than 70% metal content); compensation mechanism for exporters of downstream products to non-EU markets; anti circumvention measures; regulatory synchronisation