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Simplifying EU's carbon border adjustment mechanism: Council agrees negotiating position

The Council adopted today its negotiating position (general approach) on one of the proposals of the so-called 'Omnibus I' legislative package, which simplifies and strengthens the EU's **carbon border adjustment mechanism** (CBAM).

The proposal seeks to provide simplification and **cost-efficient compliance improvements** to the CBAM regulation, without compromising its climate goals, as about 99% of embedded emissions in the imported CBAM goods would remain covered. The overall aim is to reduce the **regulatory and administrative burden**, as well as compliance costs for EU companies, especially SMEs.

“Simplification and reduction of the administrative burden for our companies to boost EU competitiveness remain among the priorities of the Polish presidency. Today's agreement sends a clear signal that the Council is determined to advance on this path as fast as possible.



Adam Szapka, Minister for the European Union of Poland

Content of the proposal

The Commission proposes, as the main simplification of CBAM rules, a **broader ‘de minimis’ exemption** from CBAM obligations by exempting importers, which do not exceed a single mass-based threshold set at a level of 50 tonnes of imported goods per importer per year. This new threshold would replace the current and much narrower provisions of the CBAM regulation **exempting goods of negligible value**. The proposed measure is expected, in most cases, to exempt from CBAM obligations SMEs and individuals, which import small or negligible quantities of goods covered by the CBAM regulation.

Furthermore, the proposal contains several **simplifications for all importers of CBAM goods** above the threshold. This concerns particularly the authorisation procedure, the data collection processes, the calculation of embedded emissions, the emission verification rules, the calculation of the authorised CBAM declarants’ (parties wishing to import goods subject to the CBAM) financial liability during the year of imports into the EU, and the claim by authorised CBAM declarants for carbon prices paid in third countries.

The Council’s negotiating mandate contains several amendments to the Commission proposal, with the purposes of further **simplifying and clarifying** the rules on CBAM. The Council also supports the new de minimis mass threshold of 50 tonnes of imported goods, as proposed by the Commission.

Next steps

Following today’s adoption of the Council’s position, the presidency will start negotiations with the European Parliament on this file.

Background

In October 2024, the European Council called on all EU institutions, member states and stakeholders, as a matter of priority, to take work forward, notably in response to the challenges identified in the reports by Enrico Letta (‘Much more than a market’) and Mario Draghi (‘The future of European competitiveness’).

The Budapest declaration of 8 November 2024 subsequently called for ‘launching a simplification revolution’, by ensuring a clear, simple and smart regulatory framework for businesses and drastically reducing administrative, regulatory and reporting burdens, in particular for SMEs. On 26 February 2025, as a follow-up to EU leaders’ call, the Commission put forward two ‘Omnibus’ packages, aiming to simplify existing legislation in the fields of sustainability and investment, respectively.

[Regulation on simplifying and strengthening the carbon border adjustment mechanism, Council general approach, 27 May 2025](#)

[Regulation amending regulation \(EU\) 2023/956 as regards simplifying and strengthening the carbon adjustment mechanism, Commission proposal, 26 February 2025](#)

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