



## Commission welcomes political agreement to simplify and strengthen the carbon border adjustment mechanism

Brussels, 18 June 2025

The European Commission welcomes the provisional political agreement reached between the European Parliament and the Council today on the Commission proposal to simplify and strengthen the EU's **carbon border adjustment mechanism** (CBAM).

On 26 February 2025, the Commission proposed simplifications to the CBAM regulation to reduce administrative burdens for businesses, while maintaining the functionality of the CBAM measure. The key aspect of the proposal is a **new exemption threshold of 50 tons** for CBAM goods. This means that companies which do not exceed a single mass-based threshold set at a level of 50 tonnes of imported goods per importer per year, are exempt from CBAM obligations. The proposed measure will therefore mostly apply to SMEs and individuals, which import small or negligible quantities of goods covered by the CBAM regulation. As a deliverable of the [Clean Industrial Deal](#), it is an important contribution to boost EU's competitiveness and unlock our full economic potential and investment capacity.

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

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.

### Next steps

The European Parliament and the Council must now formally adopt the package before it can enter into force. It will enter into force 20 days after its publication in the Official Journal of the EU.

CBAM is currently in its transitional learning phase. Its definitive phase starts on 1 January 2026.

This simplification is a necessary first step before a more comprehensive review of CBAM which will be carried out later this year and will be accompanied by a legislative proposal extending CBAM to downstream products and introducing additional anti-circumvention measures. The Commission also examines how to prevent the risk of export carbon leakage on CBAM products. The CBAM simplification proposal is part of the Commission's "[Omnibus I](#)" simplification package, presented on 26 February 2025. Further information is available on the [CBAM website](#) and in the Omnibus I and II [Q&A](#).

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Quote(s):

*"This agreement is a win for both climate policy and competitiveness of our companies. We've sealed a deal in record time that exempts 90% of companies from the Carbon Border Adjustment Mechanism (CBAM) while still capturing 99% of emissions. This simplification was the necessary step before we strengthen CBAM."*

Wopke Hoekstra, Commissioner for Climate, Net Zero and Clean Growth

Press contacts:

[Anna-Kaisa ITKONEN](#) (+32 2 29 57501)

[Saul Louis GOULDING](#) (+32 2 29 64735)

[Ana CRESPO PARRONDO](#) (+32 2 29 81325)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)