1.6.2022

Amendment 192
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 50

Text proposed by the Commission

(50) A transitional period should apply during the period 2023 until 2025. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Amendment

(50) An administrative transitional period should apply during the period 2023 until 2026 and shall be used for data collection and analysis of the impact of CBAM on the industries concerned and to prevent the carbon leakage, with particular focus of the potential impact of the phase-out of free allocations. A CBAM without financial adjustment should apply, with the objective to facilitate a smooth roll out of the mechanism hence reducing the risk of disruptive impacts on trade and European industry. Declarants should have to report on a quarterly basis the actual embedded emissions in goods imported during the administrative transitional period, detailing direct and indirect emissions as well as any carbon price paid abroad.

Or. en
Amendment 193
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 50 a (new)

Text proposed by the Commission

(50 a) A comprehensive transitional period should apply during the period from 1 January 2027 to 31 December 2027, with the objective to facilitate a smooth roll-out of the mechanism, hence reducing the risk of disproportionate impacts on European industry. Should the comprehensive transitional period be proven to be incompatible with WTO rules, the administrative transitional period should be extended until 31 December 2027.

Amendment

Or. en
Amendment 194
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Recital 51 a (new)

Text proposed by the Commission

(51 a) Considering that the transition towards a sustainable economy needs to be combined with upholding Europe’s competitiveness and creating jobs, it is crucial to the success of the European Green Deal that the single market is not overburdened with additional costs for companies to adjust to a new regulatory environment. The Commission should therefore invoke a regulatory moratorium and provide a sector-by-sector analysis of the cumulative effect of higher energy and raw material prices, new legislation and the impact of the war in Ukraine. The analysis need to be used to immediately ease the burden on businesses by delaying those acts that would unnecessarily increase costs for business already under strain. The proactive implementation of the One-In-One-Out principle should be included in the preparatory phase of every legislative act.

Amendment

Or. en
2. Before the end of the transitional period, the Commission shall present a report to the European Parliament and the Council on the application of this Regulation. The report shall contain, in particular, the assessment of the possibilities to further extend the scope of embedded emissions to indirect emissions and to other goods at risk of carbon leakage than those already covered by this Regulation, as well as an assessment of the governance system. It shall also contain the assessment of the possibility to further extend the scope to embedded emissions of transportation services as well as to goods further down the value chain and services that may be subject to the risk of carbon leakage in the future.

Or. en
1.6.2022

Amendment 196
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 31 – paragraph 1 a (new)

**Text proposed by the Commission**

1 a. No free allocation shall be given in relation to the production of products listed in Annex I as from the date of application of the CBAM, as referred to in Article 36(3).

By way of derogation from the first subparagraph, for the first years of operation of this Regulation, the production of products listed in Annex I to that Regulation shall benefit from free allocation in reduced amounts. A factor reducing the free allocation for the production of those products shall be applied (CBAM factor). Contingent upon ensuring WTO compatibility and the for avoidance of double protection, the CBAM factor shall be equal to 100 % for the period between the date of entry into force of this Regulation and the end of 2027. Contingent upon application of operational phase of this Regulation in Article 36(3), point(d), the CBAM factor shall be reduced during a transitional period by 10% from 2028 until 2030 before being reduced by 17.5 percentage points each year to reach 0 % by the end of 2034. The period from 1 January 2027 to 31 December 2027 shall be called the comprehensive transitional period. The Commission shall establish a framework in order to ensure that the measures applied during that period comply with the WTO rules. In the event that the
comprehensive transitional period does not prove to be WTO-compatible, the administrative transitional period shall be extended until 31 December 2027 through the delayed application of Article 36(3), point (d).
Amendment 197
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 31 – paragraph 1 b (new)

Text proposed by the Commission

1 b. In order to ensure a level playing field, and by way of derogation from the second subparagraph, the production in the Union of products listed in Annex I to Regulation shall continue to receive free allocation equal to 100%, provided such products are intended for export to third countries without carbon pricing mechanisms similar to the EU ETS.

By 31 December 2025, the Commission may present a report to the European Parliament and to the Council in which it provides a detailed assessment of the effects of the EU ETS and CBAM on the production in the Union of products listed in Annex I that are intended for export to third countries and on the development of global emissions, as well as an assessment of the WTO compatibility of the provisions in the first subparagraph. The Commission shall, where necessary, accompany that report with a legislative proposal to adjust the provisions in that subparagraph or other provisions in this Regulation in a way that equalises the costs of CO₂ for products that are intended for export to third countries without carbon pricing mechanisms similar to the EU ETS in a way that is WTO-compatible by 1 January 2027.
1.6.2022

Amendment 198
Adam Jarubas
on behalf of the PPE Group

Report
Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 36 – paragraph 3 – point a

Text proposed by the Commission Amendment

(a) Articles 32 to 34 shall apply until 31 December 2025. (a) Articles 32 to 34 shall apply until 31 December 2026.

Or. en
Amendment 199
Adam Jarubas
on behalf of the PPE Group

Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 36 – paragraph 3 – point b

Text proposed by the Commission
(b) Article 35 shall apply until 28 February 2026.

Amendment
(b) Article 35 shall apply until 28 February 2027.
Amendment 200
Adam Jarubas
on behalf of the PPE Group

Mohammed Chahim
Carbon border adjustment mechanism
(COM(2021)0564 – C9-0328/2021 – 2021/0214(COD))

Proposal for a regulation
Article 36 – paragraph 3 – point d

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<td>(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply from 1 January 2026.</td>
<td>(d) Articles 4, 6, 7, 8, 9, 14, 15, 16, 19, 20, 21, 22, 23, 24, 25, 26, 27 and 31 shall apply from 1 January 2027.</td>
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Or. en