Amendment 201
Cristian-Silviu Bușoi
on behalf of the Committee on Industry, Research and Energy

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 1 January 2023 until 31 December 2026 and should be used for data collection and analysis of the impact of CBAM on the industries concerned and to prevent the carbon leakage, with a particular focus on 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.
Amendment 202
Cristian-Silviu Buşoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Recital 50 a (new)

<table>
<thead>
<tr>
<th>Text proposed by the Commission</th>
<th>Amendment</th>
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<tbody>
<tr>
<td>(50a) A comprehensive transitional period should apply during the period 1 January 2027 to 31 December 2027, with the objective of facilitating a smooth roll out of the CBAM thereby reducing the risk of disproportionate impact 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.</td>
<td>Or. en</td>
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</table>
Amendment 203
Cristian-Silviu Bușoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Recital 50 b (new)

Text proposed by the Commission

(50b) The full effectiveness of the CBAM in tackling the carbon leakage risk both on the Union market and on export markets should be assessed and positively verified by the Commission through a strong monitoring of the impacts on Union businesses, with a view to amending this Regulation, if necessary.

Or. en
1.6.2022 A9-0160/204

Amendment 204
Cristian-Silviu Bușoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Recital 52

Text proposed by the Commission

(52) The Commission should evaluate the application of this Regulation before the end of the transitional period and report to the European Parliament and the Council. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods\(^{19}\).

Amendment

(52) The Commission should evaluate the application of this Regulation before the end of the administrative transitional period and report to the European Parliament and to the Council. The Commission should, as part of that evaluation, assess the impact on sectors listed in Annex I to ensure that the complex production processes and deeply integrated value chains of specific sectors listed in that Annex have been appropriately taken into account. The report of the Commission should in particular focus on possibilities to enhance climate actions towards the objective of a climate neutral Union by 2050 and possibilities to improve carbon leakage measures to ensure a level playing field between the Union and third countries. The Commission should, as part of that evaluation, initiate collection of information necessary to possibly extend the scope to indirect emissions, sectors and goods other than those listed in Annex I, as well as to other goods and services at risk of carbon leakage, and to develop methods of calculating embedded emissions based on the environmental footprint methods\(^{19}\).

\(^{19}\) Commission Recommendation
2013/179/EU of 9 April 2013 on the use of common methods to measure and communicate the life cycle environmental performance of products and organisations (OJ L 124, 4.5.2013, p. 1).
1.6.2022

**Amendment 205**
Cristian-Silviu Buşoi
on behalf of the Committee on Industry, Research and Energy

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

**Proposal for a regulation**
Recital 52 a (new)

<table>
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<tr>
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<tr>
<td>(52a) At the end of the first year after the comprehensive transitional period, the Commission should submit to the European Parliament and to the Council a report with a particular focus on the competitiveness of the products that are exported outside the Union. That Commission report should assess the risk of Union exports on global markets being replaced by more carbon intensive goods or by goods that are not subject to equivalent carbon costs. The Commission report should be accompanied by a legislative proposal to develop WTO-compatible solutions such as export adjustment mechanisms to be implemented to avoid the effects of carbon leakage on Union exports, while preserving emission reduction targets.</td>
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Or. en
Amendment 206
Cristian-Silviu Busoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Recital 52b (new)

Text proposed by the Commission

(52b) If after the comprehensive transitional period, the evidence collected by the Commission indicates that the potential costs of the CBAM outweigh its benefits and the CBAM cannot effectively protect European industries falling within its scope against carbon leakage, a further phase-in of the CBAM should be delayed until an effective solution is found.

Amendment
Amendment 207
Cristian-Silviu Bușoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Article 30 – paragraph 1

Text proposed by the Commission

1. The Commission shall collect the information necessary with a view to extending the scope of this Regulation to indirect emissions and goods other than those listed in Annex I, and develop methods of calculating embedded emissions based on environmental footprint methods.

Amendment

1. The Commission shall, after consulting the relevant stakeholders, collect the information necessary with a view to extending the scope of this Regulation to indirect emissions as well as to other goods at risk of carbon leakage, such as plastics, hydrogen, finished goods and downstream products, and to develop methods of calculating embedded emissions based on the environmental footprint methods. The Commission shall submit a report to the European Parliament and to the Council by 31 December 2025.

Or. en
2. Before the end of the transitional administrative period 1 January 2023 - 31 December 2026, the Commission shall submit a report to the European Parliament and the Council on the transitional application of this Regulation. The report shall contain, in particular:

(a) the assessment of the possibilities to further extend the scope of embedded emissions, with a particular focus on energy-intensive sectors and any potential loss of indirect ETS cost compensation under Article 10a(6) of Directive 2003/87/EC;

(b) evaluation of the impact on sectors listed in Annex I to ensure that the complex production process and deeply integrated value chains of specific sectors have been appropriately taken into account;
(c) an in-depth assessment, developed in close cooperation with the stakeholders concerned, of the possibilities to further extend the scope of Annex I to indirect emissions, as well as to other goods at risk of carbon leakage, such as plastics, hydrogen, finished goods and downstream products, and to develop methods of calculating embedded emissions based on the environmental footprint methods;

(d) the assessment of the impact on competitiveness of European industry and the maturity of new technologies, as well the downstream industry, in particular the impact on SMEs, with a proposal to remedy any negative impact on the competitiveness of such users, and any possible disproportionate administrative burden;

(e) an identification of possible circumvention and fraud practices and distortion in trade patterns;

(f) 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.
Amendment 209
Cristian-Silviu Bușoi
on behalf of the Committee on Industry, Research and Energy

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

Proposal for a regulation
Article 30 – paragraph 2 a (new)

Text proposed by the Commission

<table>
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<tbody>
<tr>
<td>2a. The Commission report referred to in paragraph 2 shall, where appropriate, be accompanied by a legislative proposal to extend the scope of this Regulation to other sectors listed in Annex I and to indirect emissions provided for in paragraph 2, point (c).</td>
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</tbody>
</table>

Or. en
Proposal for a regulation
Article 30 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. A comprehensive transitional period shall be established from 1 January 2027 to 31 December 2027. The Commission shall establish a framework for the purpose of ensuring that the measures applied during that period comply with WTO rules.

Or. en