



CBAM Similification

Fact Sheets

2025



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Carbon Border Adjustment Mechanism (CBAM): Simplification via Omnibus 1

Since November 2024, the EU has launched a wave of simplification of EU legislation in response to global and local challenges. Alongside the publication of the Clean Industrial Deal on February 26th, 2025, the European Commission published two “Omnibus” packages, to streamline existing laws in **sustainability** and **investment**. The CBAM regulation is one of those.

Impact Goals

- **Reduce administrative, regulatory, and reporting burdens** – especially for **SMEs**.
- Avoid disruptions when obligations begin in **early 2026**.
- Promote investment & sustainability without excessive red tape.

In June 2025, the Council and the European Parliament reached a provisional deal for CBAM (final decision expected early September 2025), including simplification and cost-efficient compliance improvements. These changes maintain a 99% coverage of emissions by CBAM but regulatory and administrative burdens and costs for compliance will be reduced.

INFOBOX: Carbon Border Adjustment mechanism

In line with the national carbon pricing mechanism ETS, CBAM has been set up for fair carbon pricing. It puts a fair rate on goods entering the EU that had considerable carbon emissions during production. The goal is to encourage non-EU countries to have greener industrial production. A transitional phase from 2023-25 will turn into a definitive regime from 2026 onwards.

Key changes include:

SME & Individual Exemptions:

- Reporting exemptions for SMEs and individuals importing **small/negligible quantities**.
- **Threshold: ≤ 50 tons/year** of CBAM-covered goods → exempt from obligations.

Easier Procedures:

- Streamlined **authorization process**
- Simplified **data collection & emission checks**
- Reduced financial liabilities

Penalties:

- Revised penalty system for non-compliance.
- Updated rules for indirect customs representatives.

What is in it for geothermal?

- CBAM covers imported geothermal electricity.
- CBAM still starts in January 2026 and certificates need to be brought from February 2027 onwards.