ERCST
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# ERCST Reaction

Commission Implementing Regulation (EU) 2026/2498 of 5 November 2026 on the conversion of the carbon price paid in a third country into a reduction in CBAM certificates (Article 9, Regulation (EU) 2023/956) - OJ L, 2026/2498, 16.11.2026

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Which foreign carbon prices count under CBAM, and how much do they reduce an importer's bill? The Commission published its final answer, Implementing Regulation (EU) 2026/2498, on 16 November 2026, and it applies retroactively from 1 January 2026. Its main elements are summarized below.

A "carbon price" is defined as a requirement to pay either under a carbon emissions reduction scheme, in the form of a tax, levy or fee, or in the form of emission allowances under a greenhouse gas emissions trading system (can include baseline-and-credit schemes). Credits purchased under baseline-and-credit are considered equivalent to allowances purchased under an ETS. The carbon price can either be levied at the level of the operator or indirectly on the carbon content of a fuel. It must be calculated based on the GHGs emitted in the production of the good or the burning of the fuel (i.e., fuel taxes whose rate is not explicitly based on the carbon content of the fuel - e.g., set by energy content, volume, weight, or value - are not eligible). It must be binding and imposed on all operators active in the sector (with small operator exceptions allowed, as in the ETS), and imposed equally on all goods irrespective of the destination of exports (i.e., no export-only tax). The draft's 5% tolerance between the emissions covered by the foreign scheme and those covered by CBAM has been removed: operators must reconcile the two scopes and attribute only emissions within CBAM boundaries.

Foreign producers can claim a carbon price paid on inputs, including when those inputs were produced in another third country.

The price effectively paid should be calculated based on the price of allowances in a cap-and-trade scheme, or the level of taxes, or secondary market credits in a baseline-and-credit scheme. A weighted average of the prices over the reporting period should be used. Alternatively, producers may produce evidence of the actual prices paid, i.e., the average purchase cost of the compliance units held in their registry account at the end of the reporting period.

Where the foreign pricing regime allows for the purchase of credits to reduce obligations, the purchase price of those credits (not the GHG tonnes reduced) can be recognized as a carbon price paid. The credit purchase needs to be aimed at reducing GHG emissions, so these have to be offsets and not additional purchases by producers (beyond their actual GHG emissions) to simply drive up the carbon price paid. The reduction in GHG emissions can occur outside the territory of the country in which the emitting producer is located, but international credits are only recognized if they are authorized and issued under the Paris Agreement's Article 6.2 or 6.4. Any such offset purchases will only be credited up to the level of the carbon price prevailing in the operator's home-country carbon pricing regime. There is a cap for such recognized credit purchases set at 10% of the entity's reported and confirmed emissions under its domestic carbon pricing regime. The foregoing conditions and limitations narrow the range of eligible options available to foreign producers, but help preserve the incentive facing foreign jurisdictions to implement a domestic carbon pricing system.

The Commission will maintain a list of carbon pricing mechanisms that meet the definition of eligible carbon prices, with that list to be updated annually. The list (Annex II) currently names more than 30 mechanisms, including the Canadian OBPS family, the China, Korea, Türkiye, UK and Japan GX ETSs, India's CCTS, and the carbon taxes of South Africa, Mexico, Japan, Chile, Colombia and Singapore. Each entry also names the main type of rebate that applies, and operators must take those into account. For schemes not on this list, the "independent person" who also certifies the evidence for a carbon price effectively paid needs to certify that the scheme meets the definition.

The Commission will also publish and maintain a database of country-specific default carbon price values. These have not yet been published, and the methodology is not known. Where certified data is not available for

calculating the price paid by upstream input producers, reporting entities can use the default carbon price for those.

The price paid will be discounted to account for any cost containment mechanisms, reduced prices, or refunds. For example, the price credited will be reduced to account for free allocation of allowances under an ETS, for tax loopholes, and for emissions not subject to pricing under a baseline-and-credit scheme. To ensure a level playing field with EU producers who can benefit from revenue recycling via instruments like the Innovation Fund, credit will not be reduced for revenue recycling that meets certain conditions. It must be open to all operators without undue discrimination, and used for reducing emissions in the recipient installation; all eligible installations must apply to receive the subsidy; the granting decision and the amounts must be made public; the emission reduction must be verified both at application and after the investment; and emission reduction must have actually materialized (or concrete measures must have been taken).

Where the possibility exists for rebate or compensation, the producer must present evidence of the amount of rebate or compensation received, or formal written confirmation from the relevant authority that such support was not requested, or that the request was rejected. If the amount of the support cannot be evidenced, no credit is given.

The Commission and competent authorities in the Member States will monitor the functioning of this provision, including by flagging instances where the claimed carbon price significantly exceeds the defaults.

Where an importer chooses to use default emission intensity values in its declaration, it must also use default carbon price values. This implies that default carbon price values will almost always be used for indirect emissions, which are almost always declared by using default emission intensity values.

Currency exchange rates for the carbon price paid will be established annually. Credit will be applied against an annually determined CBAM certificate price calculated as the average price for the year of import. This allows a calculation of credit expressed in terms of a number of CBAM certificates. The producer of the goods will need to complete a template carbon price report.

The Commission will publish guidance before the end of 2026 for the "independent person" that is mandated to certify the carbon price paid by a foreign producer. This independent person should be required to "obtain accreditation for a scope of accreditation relating to the certification of the carbon price effectively paid" (not clear exactly what that might be), and national accreditation bodies should be required to check that independent persons have the necessary competence for that purpose. To allow time for the necessary accreditation procedures, for the 2026 and 2027 reporting periods, any CBAM verifier already accredited under Regulation 2025/2551 will be allowed to certify a carbon price paid. This temporary role expires on 30 September 2028 unless accreditation is obtained. Accredited CBAM and EU ETS verifiers can extend their scope of accreditation, and part of the assessment can be delegated to third-country accreditation bodies.

New compared with the draft regulation that went out to public comment, Recital 10 asks the Commission to engage with third countries on bilateral agreements under Article 2(12) of the CBAM Regulation, to simplify claims and make them more reliable, including by agreeing which official documents can certify the evidence. This is welcome, and goes part way toward the more substantial simplifying cooperation that ERCST proposed in its feedback on the draft, but it is only a recital: no article makes it operational.

The regulation will be reviewed and revised no later than December 2027.