CBAM timeline Figure 6

First proposed

14 July 2021

The EU Commission presented the proposal for a Carbon Border Adjustment Mechanism (CBAM) to avoid carbon leakage.

Formal approval

25 April 2023

The Council of the European Union adopted the EU CBAM regulation after the EP adopted it with 487 votes to 81 and 75 abstentions on 18 April 2023.

Phase in gradually

1 January 2026

2026: 2.5%, 2027: 5%, 2028: 10%, 2029: 22.5%, 2030: 48.5%, 2031: 61%, 2032: 73.5%, 2033: 86%,

2034: 100%

Agreement on details

16 December 2022
The EU Commission, EP and the Council of the European Union finalized the implementation details of CBAM after several trialogues during July-December 2022.

Start of transitional phase

1 October 2023

The first 3 years are a transition period for reporting. Scope covers iron and steel, cement, aluminium, fertilizers, electricity, and hydrogen.

Full implementation

1 January 2034

The governance of CBAM will most be with the Commission. The free allowances to industries in the ETS will be phased out at the same pace.