

Meeting report - Meeting between CEMBUREAU and DG TAXUD – 15 June 2021

Participants: Gerassimos Thomas, [REDACTED],
[REDACTED] (CEMBUREAU)

On request of CEMBUREAU, this meeting took place to discuss the upcoming proposal for a CBAM, following intense discussions on the proposal in media and broader public.

DG TAXUD gave an update on the state of play of the proposal, stressing that CBAM is not an isolated proposal, but part of a broad package – the fit for 55 package. This means that many design choices cannot be taken in isolation and some choices will only be made a late stage, when the rest of the package is more stabilised.

CEMBUREAU provided a summary of their legal analysis of WTO aspects of CBAM, notably with respect to their interaction with EU ETS free allowances. The analysis points at the possibility that CBAM and EU ETS free allowances could co-exist in the medium term.

DG TAXUD indicated that they would look into the legal analysis on WTO compliance. Generally, DG TAXUD agreed that while CBAM and EU ETS free allowances are likely to co-exist for some time during a transitional period, COM's legal view at this stage is that the two cannot co-exist permanently.

On a number of more technical issues, it was agreed to follow-up in the coming weeks.