Auroville Consulting

Fact Sheet
European Union Carbon Border Adjustment Mechanism (EU-CBAM)

Version: October 2026

CBAM Timeline

Phase	Start Date	End Date	CBAM Status	Financial Obligations	Free Allowances / CBAM Phase-in
Transitional	01-Oct-2023	31-Dec-2025	Only quarterly CBAM reporting; "test phase".	Importers report emissions but do not pay and do not buy CBAM certificates.	EU factories keep their full free allowances; CBAM certificates are not yet used.
Definitive – price definition	01-Jan-2026	31-Dec-2026	CBAM prices published each quarter for clarity.	Importers still do not buy or surrender CBAM certificates; prices are for planning.	Start of CBAM roll-out; EU producers still receive free allowances under the EU ETS.
Definitive – financial / phase-out	01-Jan-2026	31-Dec-2034	CBAM fully in force with payments and surrender.	From 2027, importers buy CBAM certificates each year for last year's CBAM imports.	Free allowances are reduced step-by-step to 0% by 2034, while CBAM grows to 100% coverage.

CBAM Price

Quarter	Year	CBAM Price (€/tCO2e)	Publication Date	Price Period Covered	Methodology
Q1	2026	75.36	07-Apr-2026	Imports Jan–Mar 2026	Weighted average of EU ETS auction clearing prices in Q1 2026
Q2	2026	75.28	06-Jul-2026	Imports Apr–Jun 2026	Weighted average of EU ETS auction clearing prices in Q2 2026

A Unit of Auroville Foundation
Kalpana, Crown Road, Auroville 605101, Tamil Nadu, India
info@aurovilleconsulting.com +91 413 262 2571 www.aurovilleconsulting.com

Q3	2026	82.32	05-Oct-2026	Imports Jul–Sep 2026	Weighted average of EU ETS auction clearing prices in Q3 2026
Q4	2026	(to be filled)	04-Jan-2027	Imports Oct–Dec 2026	Weighted average of EU ETS auction clearing prices in Q4 2026

CBAM Sectors

Sector	Scope – products included	Typical HS / HS-chapter (illustrative)	Period (definitive phase)	Main obligation type (importer)	What is verified (third party)	Emissions included in CBAM "embedded emissions" in definitive phase	CBAM risk (qualitative)
Cement	Clinker, cement and similar cement products.	Mainly HS 2523 (cement clinkers and cement).	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for cement/clinker imports; buy and surrender CBAM certificates each year.	Embedded emissions per tonne of clinker/cement, calculated at plant level using CBAM methods.	Direct process emissions from clinker production; fuel combustion in kilns and other on-site equipment; indirect emissions from electricity used in cement manufacture.	High
Iron & steel	Iron, steel and selected in-scope steel products such as coils and tubes.	Mainly HS 72 and selected HS 73 lines for iron and steel products.	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for all in-scope steel products; buy and surrender certificates yearly.	Embedded emissions per tonne of each in-scope steel product (for example coils and tubes) for each installation.	Direct process and fuel emissions from iron and steel production routes (BF-BOF, EAF, etc.); indirect emissions from electricity used in steelmaking and finishing.	Very high
Aluminium	Unwrought aluminium and products such as sheets and plates.	Mainly HS 76 (aluminium and articles thereof).	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for in-scope aluminium products; buy and surrender certificates yearly.	Embedded emissions per tonne of in-scope aluminium (unwrought, sheets, plates), per installation.	Direct process and fuel emissions from aluminium smelting and processing; indirect emissions from electricity used in smelters, casting and rolling operations.	High

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Fertilisers	Covered fertilisers and precursors, such as ammonia.	HS 31 (mineral or chemical fertilisers).	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for covered fertilisers and precursors; buy and surrender certificates yearly.	Embedded emissions per tonne of covered fertilisers and precursors (for example ammonia), per installation.	Direct process emissions from production of ammonia/nitric acid and fuel use in fertiliser plants; indirect emissions from electricity used in production.	Medium
Electricity	Imported electricity.	HS 2716 (electrical energy).	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for imported electricity; buy and surrender certificates yearly.	Emissions per MWh of imported electricity, based on generation mix and CBAM calculation rules.	Emissions from fuel combustion at power plants that generate the imported electricity (power-sector direct emissions reflected per unit of electricity).	High
Hydrogen	Imported hydrogen as a product or industrial feedstock.	Hydrogen-related CN codes listed in CBAM Annex I	From Jan 2026 (first payment in 2027 for 2026 imports)	Annual CBAM declaration for hydrogen imports; buy and surrender certificates yearly.	Embedded emissions per tonne of hydrogen produced, per installation.	Direct process and fuel emissions from hydrogen production (such as SMR/ATR and electrolysis); indirect emissions from electricity used to produce hydrogen.	Emerging / high

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