

March 2024

CBAM: Data provision by fastener suppliers

Information and template for the data procurement from fastener suppliers

1 EU Carbon Border Adjustment Mechanism

Under current European Union (EU) law, EU importers of fasteners listed under CN code 7318 must report to the EU the **CO2 emissions released during the production of the imported fasteners**, as well as other data relating to their manufacture.

The reporting obligations are part of the **Carbon Border Adjustment Mechanism (CBAM)**, the basic idea of which is to put a fair price on carbon emissions from the production of emission-intensive goods, including fasteners, entering the EU and to promote cleaner industrial production in non-EU countries.

From 2026, companies importing fasteners into the EU will have to **purchase CO2-certificates**. The higher the emissions released in the production of imported fasteners and their precursors, the more EU importers have to pay for the purchase of CO2-certificates. CBAM is therefore intended to have a steering function: the lower the emissions released during the production process, the cheaper the fasteners for EU customers.

2 Data procurement under CBAM

EU importers currently have to **report detailed information** to the European Commission **each quarter of the year** on the emissions of the fasteners imported in that quarter.

The data they must report includes data regarding the **manufacture of the fastener and the manufacture of the precursors** used to manufacture the fastener.

In order for EU importers to fulfil their legal obligations, they need these **data from their direct suppliers**. These can be the manufacturers of the fasteners (“installation operators”), but also intermediary trading companies. All actors involved in the supply chain are therefore required to be able to provide the necessary data.

The **data EU fastener importers need** from their suppliers include, inter alia:

- The direct CO2 emissions released during the manufacture of the fasteners imported into the EU,
- The indirect CO2 emissions embedded in the imported fasteners resulting from the production of electricity used in producing those goods.
- The direct CO2 emissions released during the manufacture of the precursors used for the manufacture of the imported fasteners,
- The indirect CO2 emissions embedded in the precursors used for the manufacture of the imported fasteners and resulting from the production of electricity used in producing those goods.

3 Preparation for data collection

The relevant data must be determined and provided from the **company manufacturing the fasteners** outside the EU (“installation operator”) and be reported to the EU importers to which they sell those products.

Emissions must be determined considering manufacturing routes, production processes, **process boundaries**, relevant raw materials and other specifications.

The fasteners manufacturers (“installation operators”) must determine the emissions using a specific **monitoring methodologies**.

Detailed information on this can be found in the guidelines of the European Commission, see below chapter 5.

If precursors were purchased from suppliers for the manufacture of the fasteners, the manufacturers of fasteners (“installation operators”) must obtain the corresponding emission data from these **suppliers of the precursors**.

If one or more **intermediary trading companies** are part of the supply chain, manufacturers must provide these companies with the data on request so that they can make it available to the respective EU importers.

4 EFDA template for suppliers and guidance

EFDA has provided its members, the importers of fasteners in the EU, with a **template** that they can use to obtain the relevant data from their suppliers.

Installation operators and other suppliers must enter the relevant data for each quarter of a year into the template.

The template contains a **guidance** helping the installation operators and other suppliers to enter the data correctly into the template.

5 More on data procurement according to CBAM

For more information on the data procurement and other CBAM issues, you may consult the following documents which are available in English language:

You find the EU Commission's **extensive "Guidance Document on CBAM Implementation for Installation Operators outside the EU"** here:

https://taxation-customs.ec.europa.eu/document/download/2980287c-dca2-4a4b-aff3-db6374806cf7_en?filename=Guidance%20document%20on%20CBAM%20implementation%20for%20installation%20operators%20outside%20the%20EU.pdf

The European Commission has informed us that this guidance document for non-EU producers will be available in **other languages** including Arabic, Hindi, Korean, Mandarin, Turkish, and Ukrainian by the end of May 2024.

This document and **more information about CBAM** are available on the CBAM website of the European Commission:

https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en