



Fecc
EUROPEAN ASSOCIATION OF
CHEMICAL DISTRIBUTORS

EU Consultation: CBAM carbon price paid in third countries

European Association of Chemical Distributors (Fecc)

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The European Association of Chemical Distributors (Fecc) welcomes the opportunity to provide feedback on the Commission's draft Implementing Regulation regarding the **conversion of carbon prices paid in third countries** into reductions for CBAM certificates. Fecc remains a steadfast supporter of the EU's climate ambitions and recognizes the importance of avoiding the double payment of carbon costs to maintain a level playing field.

To ensure that these rules are **practical, proportionate, and supportive of SMEs** within the chemical distribution value chain, we propose the following observations and suggestions:

Streamlining Compliance and Reducing Administrative Burden. The complexity of determining the "effectively paid" carbon price, particularly when involving precursors and complex goods, represents a significant administrative challenge for chemical distributors.

- **Robust Default Values.** We strongly support the Commission's proposal to make default carbon prices available in the CBAM registry. This is a vital practical solution for SMEs that may lack the internal capacity to verify actual carbon payments made by various third-country suppliers. We urge the Commission to ensure these default values are updated frequently to reflect real-time changes in third-country carbon markets.
- **Single Verification and Certification.** Fecc welcomes the provision allowing for the **same independent person** to conduct both the verification of embedded emissions and the certification of the carbon price. This alignment is a practical way to reduce costs and procedural duplication for operators.

Transparency in Rebates and Compensation Mechanisms. The draft regulation requires operators to meticulously account for any rebates or monetary compensations received in third countries, which can be difficult to track in non-transparent jurisdictions.

- **Clear Guidance on Deductions.** To prevent declarants from losing the right to a deduction due to a lack of evidence regarding rebates, the Commission should publish a **non-exhaustive list of recognized third-country rebate schemes**. Providing clear templates for "official established amounts" of compensation would offer much-needed legal certainty for authorised declarants.
- **Proportionality in Materiality.** We support the proposed **5% materiality level** for misstatements and the 5% flexibility for emission boundaries. Maintaining these thresholds is essential to ensure that minor calculation discrepancies do not lead to disproportionate penalties or the rejection of carbon price reports.

Practical Language and Reporting Requirements. The draft specifies that the operator's carbon price report and the certification report must be drawn up in **English**.

- **Technical Support for Translation.** While a single working language facilitates processing by authorities, it may pose a barrier for smaller operators in third-country jurisdictions. We suggest that the Commission provide the **standard electronic templates** in multiple languages via the CBAM registry to assist third-country operators in providing accurate data, even if the final submission remains in English.

Equivalence of Carbon Credits. Fecc notes the inclusion of **international carbon credits** (under Article 6 of the Paris Agreement) in the calculation of the carbon price, limited to 10% of reported emissions.

- **Evaluating the 10% Threshold.** While we recognize the need for domestic decarbonisation, the 10% limit on international credits should be subject to a **periodic review**. If third-country jurisdictions rely more heavily on these credits for their own compliance, EU importers may face higher CBAM costs despite a carbon price being effectively paid at the source.

Fecc appreciates the Commission's efforts to create a structured methodology for recognizing global carbon pricing efforts. As we move toward the definitive period starting 1 January 2026, it is vital that these rules remain **accessible to SMEs** and do not inadvertently create barriers to legitimate trade. We remain committed to a constructive dialogue to ensure the CBAM framework is both environmentally effective and economically resilient.

To access the Fecc's response on EU Commission's website, please click [here](#).

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