EU Consultation:
The reporting obligations during the transitional period of the Carbon Border Adjustment Mechanism (CBAM)

European Association of Chemical Distributors (Fecc)
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Fecc acknowledges the consultation on the reporting obligations during the transitional period of the Carbon Border Adjustment Mechanism (CBAM) (link) and welcomes the opportunity to provide input. In this consultation we would like to raise the following points:

1. **Fecc supports the legislative initiative and appreciates the flexibility of the reporting requirements** that according to the proposal should be limited to what is necessary to minimise the burden on importers in the transitional period and facilitate the smooth roll-out of the CBAM declaration requirements after the transitional period.

2. **The CBAM adds an additional administrative burden to companies importing goods into the EU.** Additional costs are added to the price of the products which leads to the reduction of market attractiveness and its competitiveness.
   
   • Currently it is not necessary to have a Certificate of Origin when importing goods into the EU and the process of acquiring of such document can take time and lead to additional cost.
   
   • It is also worth considering the burden on enterprises during the preparation and submission of information to the new reporting form. Especially since the dedicated IT tools, mentioned in the proposal, are still under development and requires additional training and guidance materials for those who will use it.

3. **The data submitted according to CBAM can fluctuate and that can be perceived as the intentional or negligent behaviour of the reporting declarant.** According to the proposal, new reporting requires to change calculations of emission factors and base them on quantity data, while the vast majority of non-EU countries still use invoice value for this purpose. The changes required will lead not only to non-accurate data because this indicator (net mass) is harder to get and maintain, but also will require third countries to change their system in customs and accompanying documentation.

Fecc is the association that represents chemical, food and active pharmaceutical ingredients distributors, most of which are SMEs. We believe that sustainability and an integral regulatory framework go hand-in-hand. The consistency between internal and external policies should be achieved in order to improve the international standing of the EU, strengthening the credibility of our values and actions and most importantly improving protection of the environment globally. We would be happy to engage further with the Commission to address the climate change - a global problem that needs global solutions.

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To access the Fecc's response on the EU Commission's website, please [click here](https://www.fecc.org).

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