

WTS Klient Newsflash

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CBAM reporting obligation by 31 January!

Penalties for failure to report

The CBAM reporting obligation is one of the latest EU **measures to cut harmful emissions**, and chiefly affects importers of carbon-intensive products. This measure will be implemented in two phases: the payment obligation will only come into force from 1 January 2026, but the CBAM reporting obligation will have to be fulfilled by the economic operators concerned in January this year.



The payment obligation will only come into force from 1 January 2026, but the first CBAM reporting obligation deadline is 31 January 2024.

What is the CBAM?

In May 2023, the European Union adopted [Regulation \(EU\) 2023/956](#) establishing a **carbon border adjustment mechanism**, often referred to as the carbon tax or the **CBAM Regulation**. [Commission Implementing Regulation 2023/1773](#) was published in August 2023 in connection with the CBAM Regulation, and the related rules entered into force on 1 October 2023.

In accordance with the regulation, **from 1 January 2026** economic operators will have to **pay a so-called carbon tax** on imports of certain products to the EU, **and submit quarterly data** via an electronic interface set up by the EU.

Which products does the CBAM reporting obligation cover?

The products concerned are listed by customs tariff code in Annex I of the CBAM Regulation, and are typically products whose manufacture involves significant carbon dioxide emissions. These products are: **cement, electricity, fertilisers, iron and steel, aluminium and hydrogen**. The regulation will therefore mainly affect entities in the energy, automotive and machinery sectors, as well as fertiliser, chemical, iron, steel and aluminium companies.

Although the related payment obligation will only be a factor in two years' time, businesses importing the above products already have an obligation to

fulfil during the current transitional period, i.e. between 1 October 2023 and 1 January 2026: the **CBAM reporting obligation**. The **first deadline** for the fourth quarter of 2023 is **31 January 2024**. The CBAM reporting obligation includes, among other things, the quantity of the given products placed on the market in the given quarter, information on the origin of the products and the associated carbon dioxide emission data – all of this must be included in the report.

Last week of January: get ready!

Only economic operators who **have pre-registered with** the competent Hungarian authority, i.e. the **National Climate Protection Authority** may access the EU platform. However, it is not yet possible to register on the Climate Protection Authority's website, this will only be permitted **in the last week of January**, once the national legislation empowering the National Climate Protection Authority to act as a national authority in CBAM matters enters into force on 22 January.

Importantly, failure to fulfil the CBAM reporting obligation or not doing so properly could bring **penal-**

ties for the economic operators concerned, ranging from EUR 10 to 50 per tonne of unreported emissions.



Tax consulting

The European Union's economic measures to support climate protection are increasingly affecting the businesses of most economic operators, so we believe it is important that all entities are kept informed about the new obligations. This is why [tax advisers of WTS Klient Hungary](#) are always available with up-to-date news and information.

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Should you have any questions regarding the above or any other professional issues, please do not hesitate to get in touch with your WTS adviser or use any of the contact details below.

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