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Answer given by Mr Hoekstra
on behalf of the European Commission
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The Carbon Border Adjustment Mechanism (CBAM) aims to address the risk of carbon leakage, by ensuring that imports are subject to a carbon price equivalent to that faced by domestic producers under the EU Emission Trading System. CBAM was initially designed with a limited scope, including basic goods that are most carbon intensive and exposed to the risk of carbon leakage. On 17 December 2025, the Commission adopted a proposal to amend the CBAM Regulation, among others, by extending CBAM's scope to certain downstream products. The proposed date of entry into force for the downstream extension is 1 January 2028.

The selection of goods in the Commission's proposal was carried out to minimise the carbon leakage risk, while keeping the related administrative burden limited. Based on this analysis, the Commission proposed the extension of the CBAM scope to 180 downstream CBAM goods. This selection includes, among others, parts for refrigerating or freezing equipment and heat pumps (Combined Nomenclature (CN) 8418 99 90), as well as various cords and wires made of iron or steel (CN codes from the 4-digit heading 7312).

The Commission's proposal is currently being discussed by the co-legislators. On 12 June 2026, the Council, at its Economic and Financial Affairs Council (ECOFIN) meeting, reached a General Approach on the proposal for revising the CBAM Regulation. The General Approach extends the list of goods for downstream extension by another 200 CN codes, which includes heat pumps (CN 8418 61 00). The Commission proposal is still under discussion at the European Parliament.