



Mr Wopke Hoekstra
Commissioner for Climate, Net Zero and Clean Growth
European Commission
Brussels, Belgium

Paris, 30 October 2025

Subject: Global business calls for urgent clarity on CBAM implementation

Dear Commissioner Hoekstra,

On behalf of the International Chamber of Commerce (ICC), the institutional representative of over 45 million businesses worldwide, I write to commend the European Union's commitment to climate action and addressing carbon leakage through the development of the Carbon Border Adjustment Mechanism (CBAM). Global business shares the objective of accelerating decarbonisation and promoting sustainable trade.

However, as the transitional phase of CBAM draws to a close and the permanent regime approaches, even with the recently agreed CBAM simplification measures a profound sense of uncertainty and increasing administrative anxiety is clear against a backdrop of ever-increasing trade volatility. While the intent of CBAM is clear, the lack of detailed, practical, and unambiguous implementing rules threatens to create unnecessary trade friction, impede global supply chain resilience, and ultimately undermine the mechanism's legitimacy and effectiveness.

The transition to the definitive CBAM system demands a roadmap of certainty, underpinned by the technical rules noted above. Uncertainty around final policy design and implementation decisions is having a negative impact on investment decisions, long-term sourcing contracts, and supply chain adjustments as traders do not yet know which price will apply and which rules they will have to follow. Predictability is not a luxury; it is the bedrock of international commerce.

We view CBAM not merely as a regulatory requirement but as a powerful catalyst for encouraging similar carbon pricing mechanisms globally, provided it is designed through a lens of global collaboration and shared ambition.

Delivering a CBAM which works for traders

ICC has consistently advocated for Border Carbon Adjustments (BCAs) that adhere to fundamental global trade principles, specifically non-discrimination and transparency.

We call on the European Commission to urgently publish its approach across the following areas to allow businesses to prepare for the CBAM definitive period from 1 January 2026 and stand ready to work with your teams to support this process. These include:

1. **Standardisation of embedded emissions calculation and verification rules:** The current lack of granularity regarding the accepted methodologies for determining actual embedded emissions, especially for complex manufactured goods utilising intermediate inputs, is causing reporting paralysis. We urgently require comprehensive and practical guidance on:

- **Verification standards:** The specific qualification, audit, and accreditation processes for independent verifiers outside the EU to ensure mutual recognition and prevent market access delays. Where possible, this should include a trusted-partner framework so that the EU is able to recognise jurisdictions with robust carbon measurement and verification regimes domestically to enable the recognition of verified emissions data to reduce duplicative procedures.
 - **Power purchase agreements:** The rules relating to the use of power purchase agreements under CBAM to ensure that companies are incentivised to use low-carbon energy sources.
 - **Default value methodology:** The clear publication of the calculation methodology for setting CBAM default values. While CBAM benchmarks should build on the existing EU ETS benchmark, it should also incorporate globally representative production data and emission factors to reflect real-world industry performance across different regions.
 - **Updating default values:** A clearly defined, predictable, and frequent process for updating default values to reflect genuine decarbonization efforts in different countries and incentivise continual improvement. This includes transparent rules for the recognition of equivalent carbon pricing mechanisms in third countries. Without this, non-EU businesses face an unacceptable risk of double regulation and a disproportional administrative burden that disproportionately affects smaller entities.
2. **Publication of CBAM benchmarks as soon as possible** so businesses can understand their financial liabilities as they start to plan and allocate financial resources for 2026. Businesses should not be in a position where they do not know what they owe when the product is imported into the EU.
 3. **The precise alignment and interaction of CBAM** with the ongoing review of the EU Emissions Trading System (ETS) and the eventual phase-out of free allowances, guaranteeing a consistent carbon price signal across the entire system.
 4. **Leveraging existing EU customs processes** where possible including integrating existing customs authorisations and trusted trader schemes rather than establishing a standalone CBAM Authorised Declarants. Furthermore, recognising that CBAM compliance requires given the different skillsets than customs clearance, necessary to comply with CBAM, detailed guidance should be provided on how importers can use indirect representatives appointed CBAM experts for the purposes of CBAM declarations, who may be that are different from their indirect customs representatives if necessary.
 5. **Clarity on the application of the de minimis threshold** by establishing clear, stable, and predictable rules governing the application of the threshold set out in the Omnibus simplification to enable businesses to understand if, and when, they exceed the threshold.
 6. **The treatment of equivalent carbon pricing regimes** recognised within non-EU jurisdictions and how these factor into the final CBAM liability calculation, requiring clear rules on their eligibility. This should include a possibility of a “default carbon price paid” made available to CBAM declarants who use the product-specific default values of embedded carbon.
 7. **Any extension of CBAM to downstream and horizontal sectors** should take place in a phased and proportional manner, clearly communicating the impact of such extensions necessary to tackle circumvention and carbon leakage. Given that any extension would include more complex value chains and a greatly expanded number of businesses covered by the EU’s CBAM regime, the Commission should first ensure that clear and comprehensive rules have proven effective for the products currently in scope before proceeding with further expansion.
 8. **A clear, robust, and accessible appeals mechanism** for non-EU companies challenging verification decisions or calculated liabilities, ensuring a non-discriminatory and expedient dispute resolution process in line with the principle of rule of law.

9. **Administrative feasibility for SMEs and developing economies:** We welcome the work already undertaken with the simplification Omnibus for EU CBAM and the actions the Commission has taken to simplify CBAM compliance for SMEs. However, the administrative overhead required for compliance, even during the current transitional phase, remains high and poses a significant, often insurmountable, barrier for SMEs globally. As the scope of EU CBAM is expanded, additional facilitations for SMEs should be introduced.

We reiterate the ICC principle that BCAs must be administratively simple and feasible, particularly for those with limited compliance resources. The Commission should further simplify the verification and reporting framework for low-risk goods, leveraging technology where possible, and provide targeted technical assistance and extended grace periods to businesses in developing economies to facilitate seamless integration into the new regulatory landscape.

We therefore call on the European Commission to publish the complete, final legislative texts accompanied by detailed, user-friendly technical guidance well in advance of the full implementation date.

ICC and its global network of national committees stand ready to partner with the European Commission and the National Competent Authorities to ensure the final CBAM rules are effective, workable, and fair. We stand ready to support the Commission with its dissemination and upskilling of the global business community. Clarity and predictability now will de-risk trade, ensure global competitiveness, and allow businesses to focus on the essential task of global decarbonisation.

Finally, given the growing focus on CBAM in the UNFCCC climate process, we strongly urge inclusive engagement between the climate and trade communities to strengthen international cooperation on the Paris Agreement goals. We would welcome the EU Commission's support to launch such a dialogue at COP30.

We look forward to working with your teams on these critical matters.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'J. Denton', with a stylized flourish at the end.

John W.H. Denton AO
Secretary General
International Chamber of Commerce

CC:

Mr. Stéphane Séjourné
Executive Vice President for Prosperity and Industrial Strategy
European Commission

Mr. Valdis Dombrovskis
Commissioner for Economy and Productivity
European Commission