



**EU-Japan Centre for Industrial Cooperation Policy Seminar**  
**JBCE event “CBAM in full swing? Discussing the future of CBAM with the European Commission”**

**Thursday 13 November 2025, 10:00-12:10 (CET) 18:00-20:10 (JST)**

Co-hosted by Japan Business Council in Europe and EU-Japan Centre for Industrial Cooperation

< Summary >

**Opening remarks:**

**Michiyoshi Toya, Secretary General, JBCE**

It is a distinct honor to host this CBAM event as we approach the post-transition phase in January. I wish to convey my sincere appreciation to Mr. Xavier van den Bosch for graciously joining us despite his demanding schedule and for sharing his valuable insights on the latest CBAM developments.

My gratitude also extends to Mr. Yasuo Tanabe, the EU-Japan Centre for Industrial Cooperation for their kind co-hosting, and to the JETRO Brussels Office for their support. The participation of over 500 attendees from across the EU, Japan, and beyond reflects the strong global interest in CBAM. I trust that today's discussions will enhance stakeholders' understanding of its effective implementation.

**Yasuo Tanabe, Japan-side Managing Director, EUJC**

Today, we are honored to co-host a CBAM seminar with JBCE. The EU-Japan Centre and JBCE have collaborated to strengthen EU-Japan economic and industrial ties, combining JBCE's expertise in EU policy advocacy with the Centre's activities in seminars, business matching, and joint research.

CBAM has drawn significant attention from Japanese industry, and with its implementation approaching next year, many stakeholders seek clarity, particularly on technical details. We are confident that Mr. Xavier van den Bosch will address these issues. This event forms part of the Policy Dialogue under the EU-Japan Green and Competitiveness Alliances, reflecting mutual policy influence.

**Presentation:**

**Xavier van den Bosch, Policy Officer, Unit C.2. CBAM, Energy and Green taxation at DG TAXUD, European Commission**

With the CBAM transitional period nearing its end in 2025 and the definitive regime starting in January 2026, I would like to update stakeholders on the instrument's purpose, recent simplifications, and upcoming regulatory developments.

CBAM is designed to mirror the EU Emissions Trading System (EU ETS) by applying an equivalent carbon price to imported goods in selected energy-intensive sectors. Its core objective is to prevent carbon leakage and support EU decarbonization efforts while contributing to global climate goals. The mechanism operates on a product-based accounting system, allowing importers to declare actual emissions embedded in goods or rely on default values based on country-specific emission intensities when data is unavailable. Importantly, CBAM avoids double pricing by deducting any carbon price already paid in the country of origin.

The EU views the global expansion of carbon pricing—such as Japan's GX initiative—as a positive development that can reduce CBAM liabilities.

CBAM is fully aligned with WTO rules, ensuring non-discrimination and equal treatment of imports regardless of origin. Its implementation is gradual, reflecting the phased withdrawal of free allowances under the EU ETS. Only a portion of emissions will be subject to CBAM initially, with full application planned by 2034.

Following two years of a transitional phase aimed at testing systems and gathering feedback, the EU has adopted several major simplifications. The most significant is a new mass-based de minimis threshold of 50 tonnes per importer per year, exempting many small importers while still covering 99% of emissions.



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This change is expected to substantially reduce reporting obligations, including for many importers of Japanese products. Other simplifications include excluding emissions from downstream manufacturing processes not covered by the EU ETS, extending reporting deadlines, delaying the obligation to purchase CBAM certificates until February 2027, and reducing pre-purchase requirements. Greater flexibility in certificate resale has also been introduced.

Another important simplification is the planned use of Commission-determined default carbon prices for countries with carbon pricing systems. This would reduce compliance costs and facilitate recognition of foreign schemes, potentially through country-wide averages, including for Japan.

Looking ahead, the European Commission will soon publish a review report mandated by the CBAM regulation. This report will assess implementation, examine impacts on developing countries, and consider extending CBAM's scope. Possible extensions include additional EU ETS sectors at risk of carbon leakage (such as chemicals, pulp, and paper), more steel and aluminum products, and potentially the inclusion of indirect emissions—particularly relevant for aluminum. Anti-circumvention measures and targeted adjustments for electricity imports are also under consideration.

Further implementing legislation will be adopted shortly, detailing emissions calculation methodologies, verification rules, default values, free-allocation adjustments, and carbon price deductions. While verifiers must be accredited in the EU, verification activities can involve teams based in third countries, with facilitation for alignment with existing international standards.

I acknowledge concerns about clarity and preparedness, but obligations remain phased and extensive guidance and continued international dialogue, including with Japan, will accompany CBAM's full implementation.

#### Q&A session:

**Moderator: Hibiki Kimura, Policy Manager, JBCE**

The moderator raised questions including the following:

- The Commission held a high-level dialogue on the CBAM with the EU industry stakeholders recently. Could you share some feedback from them?
- Please share with us the overall progress of the preparation. Which preparation task takes the most time when you work on newly received proposals or the new report due to be published?
- The EU-US Framework Agreement stipulates that the European Commission commits to work to provide additional flexibility. What does it suggest?
- DG TAXUD is leading this work to push forward the transition. Do you find it challenging to coordinate with DG CLIMA or the DG TRADE when you have the draft at hand?

#### Closing remarks:

**Ilaria Capitanio, Vice Chair, Trade Policy Committee, JBCE**

I would like to express sincere appreciation to the European Commission, the Japan Business Council in Europe, the EU-Japan Centre, and all participants for a substantive and constructive exchange on CBAM. The discussion confirmed that CBAM is fully underway, with secondary legislation anticipated in the fourth quarter of 2025. Businesses underscored the importance of early regulatory clarity as preparations advance.

While certain synergies with third-country systems may emerge, full alignment with the CBAM methodology will be expected. The Commission's commitment to providing practical guidance was warmly welcomed, and continued dialogue was recognized as essential for effective implementation.

~End~

