Dear CDX User,

At CDX, we are more than just a software solution - we are your dedicated partners in navigating the complex regulatory landscape. We understand that staying up to date with evolving regulations can be a difficult challenge, which is why we work hard to provide exceptional support for our customers.

Our commitment to your success goes well beyond system enhancements. We regularly host informative webinars with participation from industry experts, create comprehensive whitepapers and factsheets, and deliver timely regulatory updates to ensure you stay informed and prepared. Our goal is to equip you with the knowledge and tools necessary to confidently address any regulatory challenges that may arise. Also, as active members of organizations such as IAEG, AEM, AIAG, and IPC, we ensure that CDX remains at the forefront of industry requirements.

As we wrap up Q3 2025, we hope these updates help you stay ahead of the latest regulatory changes. Your feedback is invaluable as we strive to provide the best support, so please share any thoughts or questions with us at cdx-info@dxc.com.

Thank you,

CDX Team

Agenda

Unites State, Federal level

US EPA Extends Compliance Deadlines for Trichloroethylene (TCE) Chemical Restrictions

The US Environmental Protection Agency issued an interim final rule on September 17, 2025, extending critical compliance deadlines for its trichloroethylene (TCE) chemical ban while keeping the overall prohibition in place. The rule is immediately effective and not just a proposal.

Extended Deadlines

Two key compliance dates have been extended:

- Nuclear fuel manufacturing: TCE use as processing aid now banned from September 15, 2028 (instead of September 15, 2025)
- Wastewater disposal: TCE disposal to wastewater now banned from December 18, 2026 (instead of September 15, 2025)

What This Means for Business

Most TCE uses remain prohibited as originally scheduled on September 15, 2025, including manufacturing and most commercial uses. EPA stated that enforcement of the original September deadlines is a "low enforcement priority," focusing instead on the new extended dates. However, companies should not assume complete non-enforcement, as EPA retains authority to take action to protect health and environment.

Limited workplace uses continue under strict worker protection requirements with eventual phase-out planned. Companies using TCE must determine if they qualify for the extensions or must comply with the original prohibition dates.

Comment Period

EPA is accepting public comments until October 17, 2025. Additional changes may result from this feedback process.

Sources

- EPA Press Release
- Federal Register Notice

TSCA: EPA Proposes Amendments to TSCA Chemical Risk Evaluation Procedures

On September 23, 2025, the US Environmental Protection Agency published a proposed rule to amend its Toxic Substances Control Act procedural framework for existing chemical risk evaluations under 40 CFR Part 702. This proposal would rescind certain 2024 amendments and revise data-call-in and comment procedures to prevent delays and ensure the Agency assesses health and environmental risks without considering costs or non-risk factors.

What This Means for Business

If adopted, businesses can expect shorter review timelines and updated requirements for submitting studies and comments. Stakeholders should review the proposed changes and prepare for revised data requests.

Comment Period

Comments are due by November 7, 2025

Source: Govinfo.gov

United States, States level

United States, California

California Prop 65: California Updates Proposition 65 Compliance Resources

California's Office of Environmental Health Hazard Assessment (OEHHA) has released new tools to help businesses meet Proposition 65 requirements, which mandate warnings for consumer exposures to about 900 listed chemicals above safe-harbour levels. The materials include an explanatory video, sample warning statements, full regulatory text, guidance for small businesses facing Notices of Violation, and chemical-specific factsheets to clarify obligations and support consistent implementation across industries. These resources are already available and enforceable; no new rulemaking is involved.

What This Means for Business

Companies selling products in California should review the video and sample warnings, update their labeling and websites as needed, and use the small-business NOV guidance when responding to enforcement actions.

Sources

- Explainer Vide
- Sample Warnings & Assistance
- Small Business NOV Guidance
- Proposition 65 Text
- Chemical Factsheets

United States, Minnesota

PFAS: Minnesota Extends PFAS-in-Products Reporting Deadline

Manufacturers now have until July 1, 2026 to file their initial reports on intentionally added PFAS in products sold in Minnesota. The Minnesota Pollution Control Agency used its statutory authority under Amara's Law to move the deadline from January 1 2026, giving companies six extra months to:

- Secure supplier agreements for reporting
- Learn the new fall 2025 reporting platform

This extension is final, not a proposal, and aims to improve data quality for PFAS pollution prevention.

What this means for business
Manufacturers should use the extra time to finalize data-sharing arrangements and test the upcoming online system. Early preparation will ensure accurate, timely submissions and help avoid enforcement actions once reporting opens.

Source: https://www.pca.state.mn.us/get-engaged/pfas-in-products-reporting-and-fees

United States, Maine

Packaging: Maine Updates Packaging Stewardship Program to Boost Recycling

On June 23, 2025, Maine enacted an amendment to its packaging stewardship law (LD 1423) revising definitions, exclusions, and payment rules to strengthen recycling outcomes. Key changes include:

- Exempting packaging for medical devices, hazardous goods, and certain federally regulated products
- Expanding the definition of "toxicity" to cover intentionally added chemicals and metals under state and federal law
- Requiring annual reporting of packaging types and volumes, with payment rates now tied to recyclability criteria

What this means for business
Manufacturers, importers, retailers, and distributors must update their reporting systems to reflect new material definitions and exclusions, adjust financial contributions based on recyclability scores, and ensure compliance with annual data submissions. Early alignment with the updated criteria will help avoid penalties and support Maine's goal of reducing packaging waste.

Source: https://legislature.maine.gov/legis/bills/display_ps.asp?LD=1423&snum=132

Canada

CEPA: Canada Releases Multi-Year Chemical Assessment Priorities Under CEPA

On July 23, 2025, Environment and Climate Change Canada published its Plan of Priorities, a multi-year roadmap identifying 30 chemicals - including nanoscale silver, zinc oxide, and titanium dioxide - targeted for assessment under the Canadian Environmental Protection Act (CEPA). The list may be updated over time and will undergo a formal review in eight years.

What this means for business

- Companies manufacturing, importing, or using priority chemicals should monitor upcoming assessment timelines and gather safety data proactively.
- Manufacturers of nanomaterials must ensure compliance with both CEPA requirements and sector-specific rules (e.g., UV filter approvals for nanoscale zinc oxide in cosmetics).

Source: Plan of Priorities

Australia

PFAS: Australia Tightens PFAS Controls with Record-Keeping Requirements

Effective July 1, 2025, Australia's Industrial Chemicals Introduction Scheme (AICIS) bans or restricts certain PFAS (e.g., PFOS, PFOA, PFHxS) under the Industrial Chemicals Environmental Management (Register) Instrument 2022. While these controls mirror the EU's POP Regulation, compliance depends on thorough documentation and record-keeping to demonstrate adherence to prohibitions and restrictions.

What this means for business

Manufacturers, importers, and users of PFAS must implement robust record-keeping systems that track PFAS inventories, imports, exports, and uses. Well-organized documentation will be essential for responding to regulatory audits and avoiding enforcement actions.

Source: Industrial Chemicals Environmental Management (Register) Instrument 2022

Brazil

RoHS: Brazil Opens Public Consultation on Draft RoHS Regulation

On August 8, 2025, Brazil's National Environment Council (CONAMA) launched a public consultation on its draft Restriction of Hazardous Substances (RoHS) regulation, closing on September 24, 2025. The proposal closely mirrors the EU RoHS directive by restricting the same ten substances, with staggered phase-in periods upon entry into force (immediate for PBB/PBDE; 180 days for mercury; up to three years for cadmium, hexavalent chromium, and lead; and up to four years for phthalates DEHP, BBP, DBP, and DIBP).

What this means for business

- Producers of electrical and electronic equipment must prepare for a new national EEE register and Declaration of Conformity system, with registrations due within one year of the register's launch.
- Products subject to reverse-logistics programs require specific marking (crossed-out wheeled bin) and standard identification information.
- Exemptions lists will be published within 180 days of enactment, with renewal requests due 18 months before expiration.

Source: CONAMA RoHS Consultation

Japan

PFAS: Japan Restricts PFHxS-Related Compounds Under Chemical Substances Act

On September 17, 2025, Japan notified the WTO of revisions to the Enforcement Order of the Act on the Regulation of Manufacture and Evaluation of Chemical Substances. These changes designate perfluoro(hexane-1-sulfonic acid)-related compounds as Class I Specified Chemical Substances requiring authorization for manufacture or import, and prohibit imports of products containing these compounds in applications such as water- and oil-repellent textiles, semiconductor etchants and resists, plating agents, fire-extinguishing foams, and floor coverings.

What this means for business

- Manufacturers and importers of PFHxS-related compounds must obtain prior authorization before placing these chemicals on the Japanese market.
- Importers of finished goods using PFHxS-related compounds must verify compliance and adjust supply chains to avoid prohibited products.
- Companies should review affected product lines, update technical files, and plan for authorization applications or reformulation to maintain market access.

Source: WTO (G/TBT/N/JPN/879)

China

China Issues First Mandatory RoHS Standard (GB 26572-2025)

On August 1, 2025, China's State Administration for Market Regulation published GB 26572-2025, its first mandatory Restriction of Hazardous Substances (RoHS) standard for electrical and electronic products. Effective August 1, 2027, the standard aligns with EU RoHS limits and integrates the previous GB/T 26572-2011 and SJ/T 11364-2024 guidelines.

What this means for business
Manufacturers and importers of EEE in China must ensure product compliance with the new substance concentration limits by the 2027 effective date. Companies should update their testing procedures and supplier declarations now to meet the mandatory requirements.

Source: GB 26572-2025 Standard

Taiwan

PFAS: Taiwan Proposes New PFAS Management Measures

On September 15, 2025, Taiwan's Ministry of Environment notified the WTO (G/TBT/N/TPKM/573) of a draft "List of Per- and Polyfluoroalkyl Substances and Related Management Measures" under the Toxic and Concerned Chemical Substances Control Act. The proposal designates 269 PFAS as "concerned chemical substances" and requires:

- For PFAS acids, precursors, and related compounds at ≥0.1% concentration: authorization, monthly record-keeping, quarterly reporting, and labeling
- For gaseous and polymeric PFAS at ≥30%: authorization, monthly records, quarterly reports, and labeling; at 0.1 - 30%: labeling only

What this means for business
Chemical manufacturers, importers, downstream users, and storage operators must prepare to establish traceability systems, update labels, and collect compliance documentation. Companies should review their PFAS inventories now, assess data-management needs, and plan for new reporting workflows.

Source: MOE Notification

European Union

EU-US Trade Framework Agreement: Impact on EU Sustainability Regulations

On August 21, 2025, the European Union and United States announced a Framework Agreement on Reciprocal, Fair, and Balanced Trade. This non-binding agreement outlines shared trade objectives and includes significant commitments regarding EU sustainability legislation that may affect businesses worldwide.

The EU made several important promises in the trade framework that could change how sustainability rules are implemented:

Corporate Sustainability Rules (CSDDD and CSRD):

The EU committed to ensuring that both the Corporate Sustainability Due Diligence Directive (CSDDD) and Corporate Sustainability Reporting Directive (CSRD) "do not create undue restrictions on transatlantic trade". Specifically, the EU promised to:

- Reduce administrative burdens on businesses, particularly small and medium enterprises
- Review the harmonized civil liability system for due diligence failures
- Reconsider climate-transition obligations

Deforestation Regulation (EUDR):

The EU recognized that "the production of the relevant commodities within the territory of the United States poses a negligible risk to global deforestation". This statement suggests the US may receive preferential treatment under the deforestation regulation, potentially moving from "low risk" to a new "negligible risk" category that would require less compliance work.

What This Means for Businesses

These commitments represent the first time EU sustainability regulations have been included as negotiable elements in a trade agreement. While the framework is non-binding, it signals potential changes to existing rules that companies should monitor closely. The EU is already reviewing these regulations through its "omnibus simplification package," which aims to reduce administrative burdens by at least 25% across all companies and by 35% for small and medium enterprises. The trade agreement may add additional pressure for further changes.

Next Steps

The framework will be formalized into a binding trade agreement following internal procedures in both regions. Companies should continue monitoring ongoing legislative discussions about changes to the CSDDD, CSRD, and EUDR, as final rules may differ from current versions.

Source: EU-US Joint Statement on Framework Agreement

EU Adopts Rules for Digital Waste Shipment System (DIWASS)

On July 2, 2025, the European Commission adopted the implementing regulation for the Digital Waste Shipment System (DIWASS), mandating a full transition from paper to digital for all intra-EU waste shipment procedures. This new system becomes mandatory from May 21, 2026, for both prior-notified and green-listed waste, aiming to improve administrative efficiency, traceability, and environmental compliance.Technical documentation and user guides will be published by the end of 2025 to help national authorities and businesses prepare for the transition.

What this means for business

Companies involved in cross-border waste shipments must transition to the DIWASS platform by the May 2026 deadline. While the EU regulation does not specify penalties, Member States are required to establish their own effective sanctions for non-compliance. Furthermore, stricter controls on waste exports to non-EU (non-OECD) countries will apply from May 21, 2027.

Source: European Commission

EU Advances Simplification Plan with Digital Rules and New 'Small Mid-Cap' Category

On September 24, 2025, the EU Council agreed on its negotiating position for the "Omnibus IV" legislative package, a major step toward simplifying regulations for businesses. The proposal aims to implement a "digital by default" principle for product compliance and create a new "small mid-cap" (SMC) category to support growing companies.

The two main pillars of the proposal are the digitalization of product documentation - such as allowing digital Declarations of Conformity and instructions for use - and the creation of the SMC category for businesses that have outgrown the traditional SME definition. The Council proposed defining SMCs as enterprises with fewer than 1,000 employees and an annual turnover of up to 200 million EUR.

What this means for business
This is the Council's negotiating mandate, not a final law; talks with the European Parliament will now begin. However, the agreement signals a clear direction. Companies can anticipate a shift to digital formats for compliance documents, reducing paperwork. Furthermore, businesses that fit the proposed new 'small mid-cap' definition can expect to benefit from some of the regulatory relief measures currently available only to smaller enterprises, avoiding a "cliff-edge" of increased administrative burden as they grow.

Source: Council Press Release

EU Seeks Feedback on Proposed Circular Economy Act

On August 1, 2025, the European Commission launched a call for evidence and public consultation on a proposed Circular Economy Act. The initiative aims to reduce the EU's dependence on imported raw materials by creating a stronger and more competitive secondary raw material market.

The proposal is in its early stages, and the Commission is seeking feedback to shape the final legislation, which will target both the quality and quantity of recycled materials in the EU.

What this means for business
This is a critical opportunity for industries that rely on both primary and secondary raw materials to influence future EU policy. Companies are encouraged to review the initiative and submit feedback before the November 6, 2025, deadline to ensure their perspectives on material quality, market barriers, and data management are considered.

Source: EU 'Have your say' Portal

EU Explores Simplification, Potential End to SCIP Database

On July 22, 2025, the European Commission launched a public consultation on simplifying administrative burdens in environmental legislation, an initiative known as the "Environmental Omnibus." The feedback period, which closed on September 10, 2025, sought input on streamlining requirements for the circular economy, industrial emissions, and waste management.

A key area under review was the potential discontinuation of the SCIP (Substances of Concern in Products) database, a significant proposal aimed at reducing reporting obligations for companies.

What this means for business

With the consultation now closed, businesses should monitor for the forthcoming legislative proposal, expected in the fourth quarter of 2025. Companies should pay particular attention to the Commission's decision regarding the SCIP database and other potential changes to reporting for Extended Producer Responsibility (EPR) schemes, as this will directly impact compliance workflows.

Source: EU 'Have your say' Portal

Battery Regulation: EU Postpones Battery Regulation Due Diligence Obligations to 2027

On July 30, 2025, the EU officially postponed key due diligence obligations under the EU Batteries Regulation (EUBR), providing companies with a two-year extension. The change, which entered into force on July 31, 2025, moves the application date from August 18, 2025, to August 18, 2027.

The postponement also moves the deadline for the European Commission to publish its due diligence guidelines from February 2025 to July 26, 2026. This delay was enacted to allow more time for the appointment of notified bodies and to ensure alignment with the upcoming Corporate Sustainability Due Diligence Directive (CS3D).

Importantly, other proposed changes - such as raising the turnover threshold to 150 million EUR and changing reporting frequency to every three years - are part of a separate legislative proposal and have not yet been enacted.

What this means for business
While companies now have two additional years to comply, they must still prepare to report on the responsible sourcing of nickel, lithium, cobalt, and graphite. Given the complexity of the regulation and the requirement for third-party verification, businesses should use this extra time to build and refine their due diligence programs to address environmental and social risks in their supply chains

Source: European Commission

EU POPs: EU Updates POPs Regulation for Firefighting Foams

On July 14, 2025, the European Commission published an amendment (Commission Delegated Regulation (EU) 2025/1399) to the POPs Regulation, extending an exemption for perfluorooctanoic acid (PFOA) in firefighting foams and clarifying contamination limits. The regulation, which became effective on August 3, 2025, addresses implementation challenges and provides more practical transition timelines for the industry.

The amendment extends the deadline for using PFOA in existing firefighting foams from July 4, 2025, to December 3, 2025. It also establishes new Unintentional Trace Contaminant (UTC) limits, including a temporary limit for existing systems that applies until August 3, 2028, to manage residual contamination during the transition to fluorine-free alternatives.

What this means for business
Operators of firefighting systems must cease using PFOA-containing foams by the new December 3, 2025 deadline. During the transition, they must adhere to the new UTC limits for residual contamination. The regulation also clarifies that articles containing PFOA already in use before the original exemption expired may continue to be used.

Source: Official Journal of the EU

EU POPs: EU Adds UV- 328 to POPs Regulation with Staged Limits

On July 15, 2025, the European Commission published Commission Delegated Regulation (EU) 2025/843, officially adding the substance UV- 328 to the list of regulated Persistent Organic Pollutants (POPs). The regulation, which became effective on August 4, 2025, establishes a phase-out plan with specific exemptions and decreasing concentration limits.

Key measures include temporary five-year exemptions for certain articles and longer exemptions for specific spare parts to allow for substitution. The regulation also sets staged Unintentional Trace Contaminant (UTC) limits for UV- 328:

- 100 mg/kg from August 4, 2025
- 10 mg/kg from August 4, 2027
- 1 mg/kg from August 4, 2029

What this means for business
Companies must now ensure their products comply with the new, decreasing concentration limits for UV- 328. This requires careful management of supply chains and a clear strategy to phase out the substance in line with the established deadlines. Businesses using UV- 328 under an exemption must also plan for its eventual substitution.

Source: Official Journal of the EU

EU POPs: EU Tightens Restrictions on PFOS Under POPs Regulation

The European Commission has adopted Commission Delegated Regulation (EU) 2025/718, introducing stricter controls on perfluorooctane sulfonic acid (PFOS) and its derivatives under the EU's regulation on persistent organic pollutants (POPs). The amendment, which entered into force on July 17, 2025, aligns PFOS restrictions with those already in place for similar substances like PFOA.

Key changes include significantly tighter concentration limits for PFOS as unintentional trace contaminant, which will apply from December 3, 2025. The regulation also removes the specific exemption that allowed PFOS to be used as a mist suppressant in non-decorative hard chromium (VI) plating, as it is no longer deemed necessary.

What this means for business
Companies that manufacture or import products containing PFOS must now ensure they meet the much stricter concentration limits by the December 2025 deadline. Industries that previously relied on the exemption for chromium plating must have fully substituted PFOS in their processes.

Source: Official Journal of the EU

REACH SVHC: ECHA Consultation for Adding DBDPE to SVHC Candidate List Closes

On August 11, 2025, the public consultation period for adding the flame retardant Decabromodiphenyl ethane (DBDPE) to the REACH SVHC Candidate List officially closed. The substance was proposed for inclusion after being identified as very persistent and very bioaccumulative (vPvB). The addition, if finalized, will trigger significant legal obligations for companies with products containing DBDPE in concentrations above 0.1% w/w.

Source: Echa europe

REACH SVHC: ECHA Opens Consultation on Three Proposed New SVHCs

The European Chemicals Agency (ECHA) has launched a public consultation on proposals to add three new Substances of Very High Concern (SVHCs) to the REACH Candidate List. The consultation is open for comments until October 16, 2025.

The proposed substances are:

- n-Hexane: A solvent used in polymers and paints, proposed for reproductive toxicity.
- Bisphenol F (BPF): A BPA alternative used in epoxy resins and coatings, proposed for potential endocrine-disrupting properties.
- Fluorinated Bisphenol Derivative: Used in polymer production, proposed for being persistent, bioaccumulative, and toxic (PBT) and a reproductive hazard.

What this means for business

This is a proposal, not a final decision. Companies using these substances are encouraged to submit comments during the consultation. If these substances are added to the SVHC Candidate List, businesses will face legal obligations, including supply chain screening, SCIP notifications, and customer communication requirements for products containing them above 0.1% w/w.

Source: ECHA SVHC Consultation Page

PFAS: EU Authorities Publish Updated PFAS Restriction Proposal

In late August 2025, authorities from Denmark, Germany, the Netherlands, Norway, and Sweden, in collaboration with the European Chemicals Agency (ECHA), published a significant update to their proposal to restrict per- and polyfluoroalkyl substances (PFAS) under REACH. The revision is based on an evaluation of over 5,600 comments received during the 2023 public consultation.

The updated proposal details two primary restriction options: a full ban after an 18-month transition period, or a ban with use-specific, time-limited exemptions (5 or 12 years) for certain sectors. The assessment was also expanded to explicitly include eight new sectors, such as military applications, explosives, and technical textiles. ECHA's scientific committees will now continue their evaluation, aiming to deliver a final opinion by the end of 2026.

What this means for business

This remains a proposal and is not yet law. However, the update provides a clearer picture of the potential regulatory landscape. Companies should review the updated document, particularly the proposed derogations, to understand how the options could impact their operations. The timeline indicates that businesses still have time to prepare, but they should monitor the ECHA committee opinions closely and continue planning for a future with significant PFAS restrictions.

Source: ECHA PFAS Restriction Update

REACH: EU Proposes REACH Restriction on 2,4-Dinitrotoluene (2,4-DNT) in Articles

The European Commission has proposed a new regulation under REACH to restrict 2,4-dinitrotoluene (2,4-DNT) in articles intended for professional and public use. The proposal, which is open for public comment until November 14, 2025, would ban the placing on the market and use of articles containing 2,4-DNT in a concentration of 0.1% or greater by weight.

The restriction would apply 12 months after the regulation enters into force, with a longer, 36-month transition period for specific automotive components like micro gas generators and spare parts. The proposal includes exemptions for explosives, military ammunition, toys, medical devices, and food contact materials.

What this means for business
This is a draft regulation, not yet law. Companies manufacturing or importing articles for the EU market should review their product portfolios to determine if they contain 2,4-DNT above the proposed threshold. Businesses affected by the proposal are encouraged to submit feedback during the consultation period and begin investigating alternative materials to ensure compliance ahead of the future deadlines.

Source: WTO Notification

REACH: EU Proposes Widespread Ban on Lead in Ammunition and Fishing Tackle

The European Commission has proposed a new regulation under REACH to restrict the use of lead in ammunition and fishing tackle, targeting products with a lead concentration of 1% or more by weight. The proposal, which is open for public comment until November 16, 2025, aims to reduce the environmental and health risks associated with lead.

The draft regulation includes several key provisions:

- A ban on the use and sale of lead in most ammunition and fishing gear, with phased transitional periods ranging from 6 months to 10 years, depending on the product.
- Exemptions for certain uses, such as sports shooting at ranges with lead containment measures, historical firearms, and military or security applications.
- Specific derogations for products where suitable alternatives are not yet available.

What this means for business

This is a draft proposal, but it signals a significant shift away from lead. Manufacturers, importers, and retailers of ammunition and fishing gear will need to adapt their products and supply chains to comply with the new restrictions. The long transitional periods for some products are intended to give the industry sufficient time to transition to lead-free alternatives. Companies should monitor the progress of this regulation closely, as it will have a major impact on the market.

Source: WTO Notification

CBAM: EU Finalizes Technical Rules for CBAM's Definitive Phase

In late August and early September 2025, the European Commission initiated a series of critical public consultations to finalize the technical rulebook for the Carbon Border Adjustment Mechanism (CBAM). These rules are essential for the transition to the "definitive period," which begins on January 1, 2026, when importers will be required to purchase and surrender CBAM certificates to cover the embedded emissions of their imported goods.

The consultations, which have now closed, focused on several key technical and administrative aspects of the regulation.

Key Consultation Areas

- **Scope Extension and Anti-Circumvention (Closed August 26, 2025):** This consultation gathered feedback on extending CBAM to cover "downstream" products (e.g., finished goods made from steel and aluminum) to prevent carbon leakage further down the value chain. It also sought input on measures to prevent businesses from circumventing the regulation, for instance by making minor modifications to goods just outside the EU border. Source: European Commission
- **Definitive Period Rules (Closed September 25, 2025):** A second set of consultations addressed the core mechanics of how CBAM will operate financially from 2026 onwards. The main topics included:
  - Calculation Methodology: Defining the precise methods for calculating both direct and indirect embedded emissions, and establishing the default values that will apply when an importer cannot provide actual emissions data. **Source**: European Commission
  - Credit for Carbon Prices Paid Abroad: Setting the rules for how importers can reduce their CBAM obligation by proving that a carbon price was already paid in the country of origin. This is to avoid "double pricing" on the same emissions**. Source:** European Commission
  - Adjustment for Free ETS Allowances: Detailing how the number of CBAM certificates required will be adjusted to mirror the gradual phasing out of free allowances given to EU producers under the EU Emissions Trading System (ETS) between 2026 and 2034. **Source:** European Commission

What This Means for Business

With the feedback periods now closed, the European Commission will proceed with drafting the final implementing regulations, with adoption expected in the fourth quarter of 2025.

While the core principles of CBAM are set, the final details established in these forthcoming acts will be critical for businesses. They will provide the legal certainty and technical specificity needed to prepare for the financial impact of CBAM. Companies should be prepared to:

- Monitor the final rules closely: The final methodologies will directly impact compliance costs and data collection requirements.
- Refine internal processes: Businesses will need to align their internal carbon accounting and reporting systems with the final, detailed EU methodology.
- Engage with supply chains: The rules on calculating embedded emissions and accounting for third-country carbon prices will require close collaboration with non-EU suppliers.

CBAM: EU Council Adopts New Rules to Simplify Carbon Border Tax (CBAM)

On September 29, 2025, the EU Council adopted a new regulation to simplify and strengthen the Carbon Border Adjustment Mechanism (CBAM). Part of the "Omnibus I" legislative package, the changes are designed to reduce the administrative and financial burden on companies, especially small and medium-sized enterprises (SMEs), while maintaining the EU's climate ambitions.

The updated regulation introduces a new "de minimis" mass threshold, exempting imports of up to 50 tonnes per importer per year from CBAM rules. It also allows for the import of CBAM-covered goods under certain conditions while an importer's registration is pending, preventing disruptions at the start of 2026.

What this means for business
The simplification measures are a direct response to calls to reduce red tape. For businesses, particularly smaller importers, the new 50-tonne threshold will significantly ease the compliance burden. The regulation also streamlines authorization procedures, data collection, and emissions calculations for all declarants, making the process more cost-efficient.

Source: Council Press Release

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Best regards,

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