

# CBAM Compliance Explained What Irish Importers Must Do Before 2026

## Introduction

The EU's Carbon Border Adjustment Mechanism (CBAM) is one of the most significant regulatory changes facing Irish importers in the coming years. While the system is already in a transitional phase, full financial obligations will apply from January 2026. Businesses importing certain carbon-intensive products need to act now to avoid future penalties, extra costs, and supply chain disruptions.

## 1. What is CBAM

CBAM is part of the EU's climate strategy. It aims to put a price on carbon emissions embedded in imported goods essentially making sure foreign producers are subject to the same environmental costs as EU companies.

It currently applies to imports in the following categories:

- Steel and Iron
- Aluminium
- Cement
- Fertilisers
- Electricity
- Hydrogen

## 2. Why It Matters for Irish Businesses

Even if your company is small, if you import these goods, you are responsible for CBAM compliance. This means:

- Quarterly reporting already required in the transitional phase.
- Future financial obligations from 2026 importers will need to buy CBAM certificates reflecting the embedded carbon in their imports.
- Risk of penalties if you fail to comply.
- Supplier pressure many non-EU suppliers are unfamiliar with CBAM, leaving importers scrambling to collect emissions data.

## 3. The Current Phase 2023–2025

We are in the transitional phase October 2023 – December 2025. During this period:

- Importers must submit quarterly reports to the EU with data on embedded carbon emissions in the listed goods.
- No payments are required yet but failure to report can still result in penalties.
- This phase is designed to help businesses adapt before costs begin.

## 4. Full Implementation in 2026

From January 2026, CBAM goes live financially:

- Importers will need to purchase CBAM certificates to cover the embedded emissions in their imports.
- The certificate price will be linked to the EU's carbon price EU ETS.
- Companies that do not comply may face hefty fines and possible supply chain restrictions.

## 5. Practical Steps for Irish Importers

### Step 1 Check if You're Affected

We will review your imports to see if any fall under CBAM categories. Even occasional shipments may trigger obligations.

### Step 2 Engage Your Suppliers

Request emissions data from your suppliers. Many outside the EU will not have systems in place, so the earlier this is done the better.

### Step 3 Build a Compliance Process

Set up internal procedures for:

- Collecting supplier data.
- Preparing and validating quarterly reports.
- Storing documentation in case of audit.

### Step 4 Monitor Policy Updates

CBAM rules are evolving. More products are expected to be added in the future, chemicals, plastics, etc. We will keep you informed to avoid surprises.

## 5. The Risks of Ignoring CBAM

- Financial risk From 2026, failing to buy certificates means fines.
- Operational risk Delays in reporting can lead to blocked shipments or supply chain disruption.
- Reputation risk Non-compliance may damage relationships with EU partners and customers who demand sustainability.

## Conclusion

CBAM is not a future problem it is already here in its transitional phase. By 2026, Irish importers of carbon-intensive goods will face real financial obligations. The companies that act early will be in a stronger position, both financially and operationally.