BRIEFING NOTE

CARBON BORDER ADJUSTMENT MECHANISM (CBAM)

What is CBAM?

The UK Carbon Border Adjustment Mechanism (CBAM) is a tax on the embodied emissions of specified carbon-intensive goods imported into the UK. The EU CBAM definitive regime came into effect on 1 January 2026, and the UK CBAM will begin on 1 January 2027. The two schemes have different thresholds and administrative requirements.

For BCGA members, CBAM can apply not only to certain gases but also to imported cylinders, containers and steel or aluminium products. It is the imported product's customs commodity code, not the business sector alone, that determines product scope.

Examples of relevant commodity codes

Commodity code	Product example
2804 10 00	Hydrogen
2814	Ammonia, anhydrous or aqueous
7311 00	Iron or steel containers for compressed/liquefied gas (e.g. cylinders)
7613 / 7613 00 00	Aluminium containers for compressed/liquefied gas
7318	Iron or steel bolts, nuts and similar fasteners
7608 / 7609	Aluminium tubes/pipes and fittings

These examples are not exhaustive. BCGA members should consult the full list of commodity codes covered by UK CBAM to check whether their goods are in scope. The EU list may differ.

Who is in scope?

- Applies to businesses importing CBAM-covered goods into the UK, subject to applicable exemptions. Members should check both the commodity code and the goods' origin when assessing their position.
- **£50,000 registration threshold** based on the total customs value of covered goods.
- Threshold assessed against imports over the previous 12 months (shorter period in 2027) and expected imports over the next 30 days.
- Registration opens **1 January 2028**, with qualifying 2027 importers generally required to register by **31 January 2028**.
- Responsibility generally lies with the importer identified in the customs declaration.

Members below the threshold still need to prepare.

Being below £50,000 does not remove the need to monitor and evidence your position. HMRC states that businesses importing covered goods must keep records from 1 January 2027 even if they do not need to register, so they can demonstrate why no CBAM tax is due. Maintain a simple import register and periodically recheck the threshold. Businesses that do not import covered goods directly may still face requests for product and emissions data from customers.

Official guidance

HMRC – Prepare for CBAM

European Commission – CBAM definitive regime

This e-bulletin provides general guidance and is not a substitute for checking the current tariff classification, legislation and HMRC/EU guidance for a particular import.

© BCGA retains the intellectual property rights (copyright) on all its publications. All rights reserved.

This publication may be freely produced, except for advertising, endorsement or commercial purposes.

You must acknowledge the source as British Compressed Gases Association. If you have any queries, contact BCGA.