



UK CBAM:

A step-by-step guide

Unsure about how the UK CBAM will affect your business?
Don't know where to start?

Then this guide is for you.

Valpak is the largest environmental compliance scheme in the UK.



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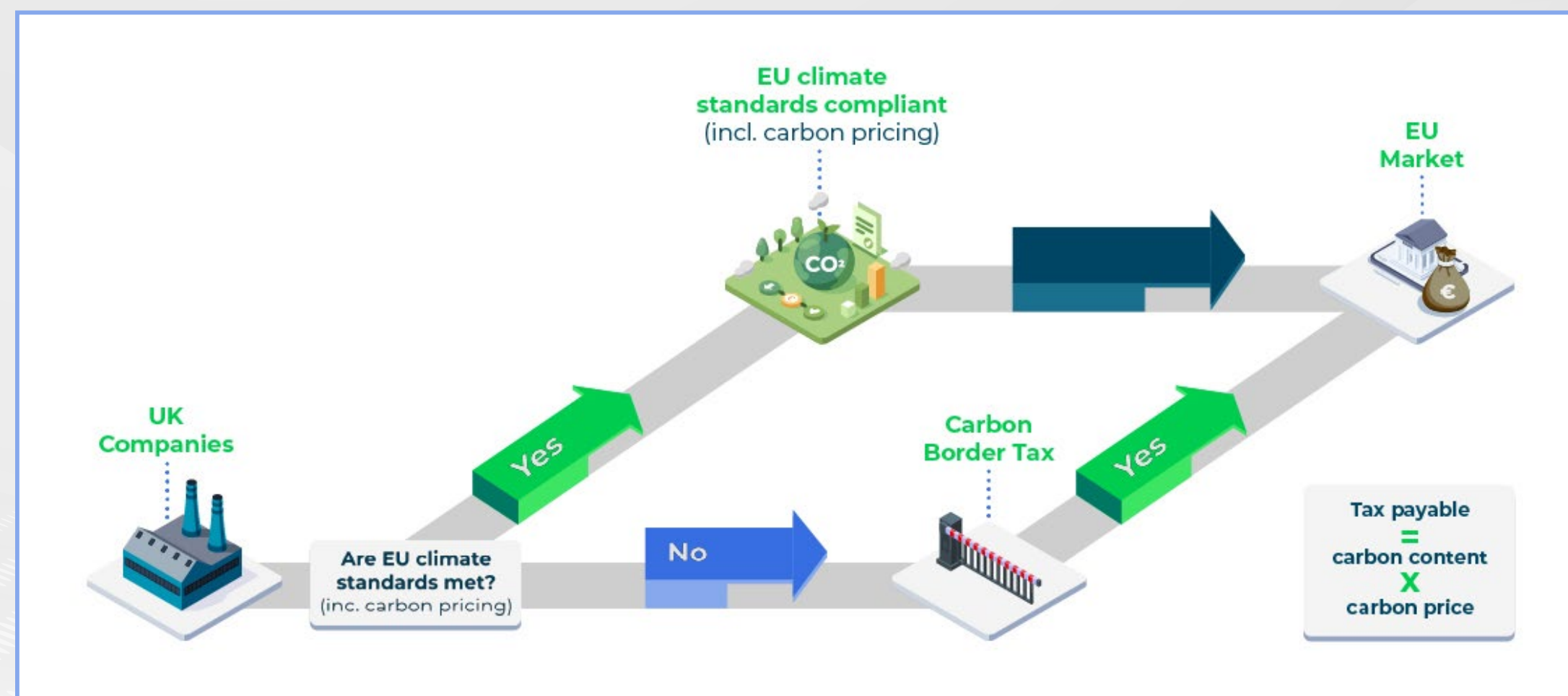
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Understanding the UK CBAM

The UK Carbon Border Adjustment Mechanism (CBAM) applies a tax on carbon-intensive imports based on the emissions generated during their production outside of the UK.

This import carbon tax matches UK-manufactured carbon prices so that domestic businesses aren't undercut by cheaper imports from countries with weaker carbon pricing systems.





Who does it apply to?

The UK CBAM targets carbon-intensive industries dealing in:



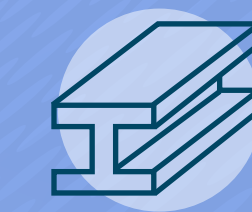
Aluminium



Hydrogen



Cement



Steel/Iron



Fertilisers

If your business imports goods made of these materials, then you may have a UK CBAM obligation. Follow the next steps to find out how to proceed.

How to find out if you're obligated

UK CBAM liability is determined by the CN Codes assigned to your imported goods.

A CN Code is an 8-digit commodity classification code used by customs authorities to identify imported goods. It's an extension of the internationally recognised HS Code (6 digits).

These are often also referred to as 'tariff codes', 'customs codes' or 'import commodity codes' and should feature on your customs declaration documents.

[Click here](#) to access the full list of **UK CBAM CN Codes**



How to find out if you're obligated

If you clicked on the previous slide, you should now have a list of the UK CBAM CN Codes in a spreadsheet that looks like this:

You should now:

- Cross-reference your imported CN codes against those listed in the spreadsheet.
- Calculate the total value of imports that match those codes.
- Check whether the combined annual import value exceeds £50,000.

If your imports meet both criteria (fall within a covered CN code and exceed the threshold), your business is likely to have UK CBAM obligations.



Material	CN Code	CN Code and Description	Greenhouse Gas	Obligated?
Aluminium	7601	7601 – Unwrought aluminium	Carbon dioxide and perfluorocarbons	Y
Aluminium	7603	7603 – Aluminium powders and flakes	Carbon dioxide and perfluorocarbons	Y
Aluminium	7604	7604 – Aluminium bars, rods and profiles	Carbon dioxide and perfluorocarbons	Y
Aluminium	7605	7605 – Aluminium wire	Carbon dioxide and perfluorocarbons	Y

What does it mean to be UK CBAM obligated?

If your business is subject to the UK CBAM, you will be required to collect and report emissions data for your CBAM imports.

This means gathering information from your suppliers on the greenhouse gas emissions generated during the production of the imported goods and maintaining detailed import records.

Reporting requirements are expected to begin from 1 January 2027, with the first CBAM submission due in 2028.





Understanding UK CBAM Emissions Data

There are two types of emissions data that businesses can use to complete their UK CBAM reports.

Actual emissions data – emissions are measured directly by the manufacturer and verified by a GACI-accredited third party. This is the preferred reporting method.

Default emissions data – standardised emissions values are provided by the government when actual data is unavailable. These values are typically more comprehensive and may result in a higher liability.

Obligated businesses should therefore begin engaging their suppliers as soon as possible to understand what emissions data is available.

How can Valpak help?

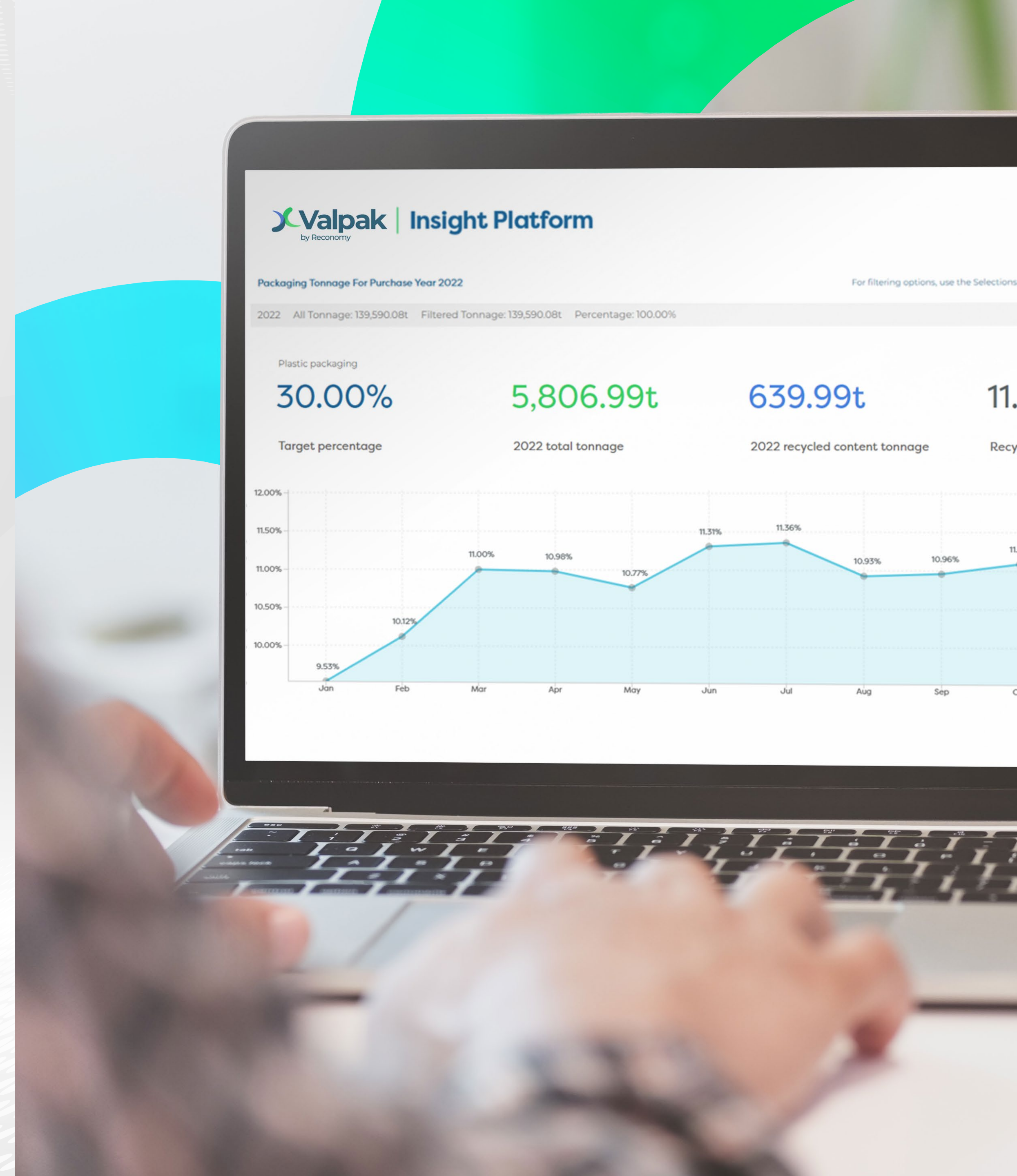
Our dedicated team of CBAM experts can help make CBAM compliance easy by:

- Identifying CBAM obligated-products
- Engaging suppliers for emissions data
- Accurately forecasting obligations
- Finding new CBAM-aligned suppliers
- Providing end-to-end CBAM compliance support

Book a call with one of our CBAM experts by **clicking here**.

Think you can handle a deep-dive into CBAM?

Explore our **white paper** here.



Valpak's end-to-end solution

