

REGULATION (EU) 2023/956 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 10 May 2023 (EU CBAM)

February 2024

Dear Hitachi Rail Supply Partner,

As a supplier to Hitachi Rail of CBAM goods we require your action to comply with the new legal requirement set out below.

The European Parliament and the Council of the European Union, as co-legislators, signed the Carbon Border Adjustment Mechanism (CBAM) Regulation (EU) 2023/956 on 10 May 2023. The regulation entered into application in its transitional period on 1 October 2023.

This regulation placed an obligation on reporting declarants (importers) to submit a CBAM report within one month after the end of each quarter. The first CBAM report is due by 31 January 2024 (for imports in Q4 2023) with ongoing quarterly reporting during the transitional period (1st October 2023 – 31st December 2025). CBAM reporting should be performed as per the set of rules and requirements for the reporting of emissions as further specified in Implementing Regulation (EU) 2023/1773.

CBAM is being phased in gradually and initially applies only to a select number of goods:

- Iron/Steel
- Cement,
- Fertilisers,
- Aluminium,
- Hydrogen and Electricity generation

CBAM Regulation applies to CN codes (Combined Nomenclature). All goods for which the embedded emissions must be reported are listed in **Annex I** of the CBAM Regulation. You will find the CBAM Regulation on the European Commission webpage <http://data.europa.eu/eli/reg/2023/956/oj>

Action Required:

When you ship goods to Hitachi Rail that fall within the legislative scope for CBAM reporting, we require you to provide the data (unless advised otherwise) in the format set out by the regulation using the recommended communication template.

CBAM communication template: https://taxation-customs.ec.europa.eu/document/download/2c15cd0e-2447-4ef8-ab70-68b80b66ede8_en?filename=CBAM%20Communication%20template%20for%20installations_en_071123.xlsx

To meet our legal reporting obligations, we must receive from you the completed CBAM communication template for CBAM goods prior to shipment to Hitachi Rail.

Please include the completed CBAM communication template in your Commercial document pack (transport documents, invoice, packing list etc....). This Commercial document pack is to be supplied to Hitachi Rail prior to shipment using the advised Hitachi Rail standard process. Please ensure documents include appropriate customs coding (e.g. HS code) with accurate description of the goods to allow destination customs code determination for import customs clearance and CBAM identification.

You will find more information on the CBAM regulation on the European Commission webpage with helpful guidance documents. Please do check the commission website regularly for updates.

EU commission Website: https://taxation-customs.ec.europa.eu/carbon-border-adjustment-mechanism_en

Guidance document on CBAM implementation for installation operators outside the EU: https://taxation-customs.ec.europa.eu/document/download/0419b4a0-7340-4fc4-8cf5-310ebf9c8504_en?filename=CBAM%20Guidance_non-EU%20231121%20for%20web_0.pdf

Thank you for your support.

Hitachi Rail Procurement