



The global emissions were not reduced but are wandering to other countries and may even increase there?

Let's issue an adjustment mechanism to fight carbon leakage!

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The Carbon Border Adjustment Mechanism

- Establishing a second ETS only for imports
- Mirroring the EU ETS
- With the result that imports bear (nearly) the same financial burden as if they had been produced in the EU

Sounds awesome! But what is about the principle of subsidiarity?



No problem! This is a clear case for Art. 192 I TFEU!

- Compatibility with EU Law
- What is the correct legal basis?
- Art. 192 TFEU
 - Art. 113 TFEU
 - Art. 114 TFEU
 - Art. 3, 31, 207 TFEU

But the mechanism seems to be a tax equivalent. Is Art. 192 I TFEU really the correct legal basis?



- Compatibility with WTO Law
- Is the CBAM discriminating foreign products?
- Eligible taxes for Border Tax Adjustments
 - Like products
 - No excessive taxation
 - Possible justification in case of violation of GATT?

Wait! The mechanism is discriminating our products in international trade!



No, we are treating foreign products just alike. Also, we are protecting the environment with our mechanism!

Are you sure? It seems like you are rather protecting your industry!

