

UK CBAM 2027



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The UK's Carbon Border Adjustment Mechanism

What importers need to know

A practical guide for PFE customers

CBAM at a glance

A new UK Carbon Border Adjustment Mechanism (CBAM) will apply to certain imported goods from 2027. This guide looks at the products covered, the registration threshold, and why businesses may want to review their imports well in advance.

What is CBAM?

The UK's Carbon Border Adjustment Mechanism (CBAM) is a new tax on certain imported goods based on the emissions associated with their production. The government's aim is to reduce the risk of carbon leakage by applying a comparable carbon cost to specified imports as well as to UK-produced goods already subject to carbon pricing.

Topic	Summary
Start date	1 January 2027
Sectors	Aluminium, Cement, Fertiliser, Hydrogen, and Iron and Steel
Registration threshold	£50,000 of in-scope CBAM goods
What determines scope?	The commodity code used on the import declaration

The mechanism
will take effect from
1 January 2027



Which goods are covered?

CBAM will apply to specified goods within five sectors:



It does not apply to every product within those sectors. Instead, it applies to the specific commodity codes listed by the government.

For many businesses, the most relevant areas to check first are likely to be aluminium and iron and steel. The important point is that the test is based on the commodity code used on the import declaration, not simply the commercial description of the goods.

Examples of goods within scope:

7318	Iron or steel Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter pins, washers (including spring washers) and similar articles.
7609	Aluminium Aluminium tube or pipe fittings, for example couplings, elbows and sleeves.

These examples show why it is important to check the code rather than relying on the product description alone.

Before assuming a product is in or out of scope, check the exact commodity code against HMRC's current guidance.

For the full list of commodity codes within scope, see the HMRC resources on the final page

The £50,000 threshold and key dates

When does registration become relevant?

The policy summary says businesses may need to register with HMRC if they meet the £50,000 threshold for in-scope CBAM goods. That threshold is assessed using both a forward-looking test and a backward-looking test. In simple terms, businesses need to consider both what they expect to import and what they have already imported over a rolling period.

£50,000

Registration threshold
for in-scope
CBAM goods

Key dates

The first CBAM accounting period will run from 1 January 2027 to 31 December 2027, with the first return and payment due by 31 May 2028. After that, accounting periods will move to a quarterly cycle.

1 January 2027	CBAM takes effect and the first accounting period begins.
31 December 2027	The first CBAM accounting period ends.
1 January 2028	Quarterly accounting periods begin. HMRC says the registration service will open by this date.
31 May 2028	First CBAM return and payment due for the 2027 accounting period.



What should importers do now?

Although implementation does not begin until 2027, this is a change worth checking well in advance. Businesses importing goods that may fall within scope will want to review their commodity codes, monitor the customs value of any in-scope imports, and make sure they can identify those goods clearly from their customs data.

1

Review commodity codes

Check the codes used for goods that could fall within the five CBAM sectors

2

Identify potentially in-scope imports

Establish which products may be covered so they can be tracked consistently

3

Monitor import values

Keep an eye on the customs value of in-scope goods against the £50,000 registration threshold

4

Use your customs data

Make sure potentially affected goods can be identified clearly from import and declaration data

For businesses importing aluminium or iron and steel products, the key question is not whether those sectors sound relevant in principle, but whether the actual goods imported fall within the listed CBAM commodity codes and whether the import values are likely to approach the registration threshold.





How PFE can help

CBAM is not an immediate issue for every business, but it is a confirmed change with a clear start date, defined sectors and a registration threshold. For anyone importing potentially in-scope goods, the sensible next step is to review those products now rather than wait until 2027.

As always, PFE will continue to monitor developments. If you would like support reviewing the customs side of your imports, including commodity codes and whether particular goods may fall within scope, our team will be happy to help.

For support with your imports, speak to your usual PFE contact.

Useful HMRC resources



Understand
the policy



Check whether your
goods are covered



View the commodity
code list

We are an international freight forwarding company,
offering intelligent global logistics solutions.

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