

Proposal for a Regulation of the European Parliament and of the Council on the negative trade effects of global overcapacity on the European Union steel market (COM 2025/0726)

On 7 October 2025, a proposal for a Regulation of the European Parliament and of the Council was published to mitigate the negative trade effects of global overcapacity in the European Union steel market.

This initiative responds to the serious situation of the European steel sector, which is considered strategic both for the EU economy and for its industrial autonomy, defence capacity and ecological transition.

The current safeguard measures applicable to steel imports, approved by Implementing Regulation (EU) 2019/159, are due to expire on 30 June 2026.

Given that the reasons that led to their adoption – overall overcapacity and import pressure – not only persist but have worsened, the European Commission has considered it necessary to replace these safeguard measures with a new legislative instrument that structurally strengthens the protection of the internal market.

The draft regulation **introduces a new system of automatic tariff quotas and countervailing duties**, which affects a large number of iron and steel products.

To this end, a categorisation is established by the subject products, establishing 28 specific categories, in accordance with the declared statistical item.

Once the category has been identified, the proposed Regulation provides for the opening of **annual duty-free tariff quotas**, instead of quarterly quotas, as has been the case to date under the safeguard measures.

These quotas will be managed on quarterly basis in accordance with the existing quota management system. Any unutilised quantities at the end of quarter, **shall not be carried over to the following quarter**.

Once all the quotas have been used, **a tariff duty of 50 per cent ad valorem** will be applied, which in practice means a doubling up the current rate of 25 per cent established by the current safeguard measure.

Products originating in Norway, Iceland and Liechtenstein **are excluded from the application of this new regulation**, due to their economic integration into the European Economic Area.

The Regulation establishes an obligation **to identify the country where the melting and pouring process of the raw material** contained in the imported product is carried out.

In regards, the country of "melting and pouring" will be the original place where steel and raw iron are initially produced in liquid form inside a steel or iron manufacturing furnace and subsequently cast into their first solid state.

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For these reasons, it will be necessary to have a certificate issued by the factory in order to justify the country where the melting and casting is carried out.

The reason why this certificate will be required is to control the possible circumvention of this type of measure, through the import of intermediate products previously processed in third countries, thus reinforcing the traceability and transparency of the supply chain.

This Regulation provides for the power of the European Commission to adopt implementing acts that will determine the allocation of specific quotas by country and product.

Furthermore, the possibility is envisaged of adopting bilateral safeguard measures with partners under free trade agreements that include such a mechanism, in which case those safeguard measures will replace the customs duties established under this Regulation. The Regulation will undergo a biennial review to assess the need to broaden the scope of the products covered, and a general evaluation shall be conducted before 1 July 2031.

In view of the planned date of entry into force of the Regulation, we recommend conducting an in-depth review of the current supply chain, given the impact that these amendments could have on the procurement of the products concerned and their integration to the Community industrial model.

In case you need any additional information in this regard, please contact us at the following address:

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