



HM Treasury



HM Revenue
& Customs

UK CBAM International Group

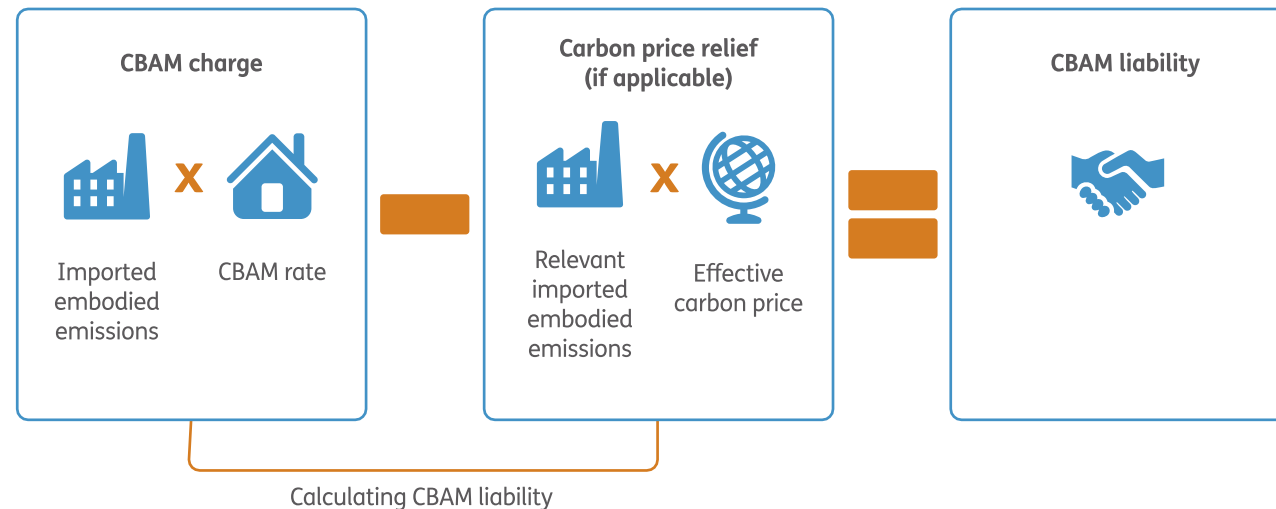
15 September 2026

Agenda

1. Opening remarks (5 minutes)
2. UK presentation on updates to UK CBAM (25 minutes) with a focus on:
 - a. Carbon Price Relief
 - b. Monitoring, Reporting and Verification
3. Feedback from international stakeholders (25 minutes)
4. Closing Remarks (5 minutes)

Overview of UK CBAM

- The UK will introduce a **Carbon Border Adjustment Mechanism (CBAM)** on **1 January 2027** to address carbon leakage risk and ensure that UK decarbonisation efforts lead to a true reduction in global emissions.
- The UK CBAM will ensure highly traded, carbon-intensive imports face a comparable carbon price to the price which would have been paid if the good had been produced in the UK.
- The UK CBAM will apply to the **aluminium, cement, fertiliser, hydrogen and iron & steel sectors** that are at risk of carbon leakage.



Eligibility Criteria for Carbon Price Relief



Administration

The carbon pricing scheme and use of revenue must be administered by a government or on behalf of, at either at city, province, state, region, pair or group of provinces, states or regions, government or supra-national organisation.



Legal Force

The carbon pricing scheme must be compulsory, with legal force.



Cost related to emissions

There must be a cost on emissions. The cost should be applied to the greenhouse gases emitted, considering any support schemes such as free allowances.



Transparency

The rules and price of the carbon pricing scheme need to be publicly available. Any removal of a quantity of greenhouse gases can only generate relief if recognised by the domestic scheme and the price itself is publicly available. A private over the counter purchase, would not count.

List of current qualifying carbon pricing schemes

On 27th August, the UK published an [initial list](#) of carbon pricing schemes that meet the qualifying criteria for UK CBAM. These schemes were assessed on 19th June 2026.

This list is intended to help importers prepare for the introduction of CBAM by providing clarity on overseas carbon pricing schemes that currently meet the qualifying criteria.

01 NOT EXHAUSTIVE

The published schemes are an indicative list, not a complete one.

02 EVIDENCE STILL REQUIRED

The liable person must still provide the calculation for the amount of carbon pricing the good was subject to and supporting evidence, including the verification form.

List will be updated as we review schemes

Schemes recognised as a qualifying carbon pricing scheme (QCPS):

- Australia Safeguard Mechanism
- Canada Federal Output-Based Pricing System (OBPS)
- Chile Carbon Tax
- China National Emissions Trading System
- EU Emissions Trading System (EU ETS)
- Indian Carbon Credit Trading Scheme (CCTS)
- Japan GX-ETS
- Kazakhstan Emissions Trading System (KAZ ETS)
- Korea Emissions Trading System (K-ETS)
- Montenegro Emissions Trading Scheme
- New Zealand Emissions Trading Scheme (NZ ETS)
- Serbia Carbon Tax
- Singapore Carbon Tax
- South Africa Carbon Tax
- Swiss Emissions Trading System (CHETS)
- Taiwan Carbon Fee

Carbon Price Relief Calculation

Full information can be found in secondary legislation: [The Carbon Border Adjustment Mechanism \(Calculation of CBAM Rate and Determination of Carbon Price Relief\) Regulations 2026](#)

1 Effective carbon price

Work out the installation's effective price per tonne of CO₂e.

Adjust for any rebates, free allowances or compensation



2 Calculate relief for each CBAM good

Effective carbon price



Relevant embodied emissions

= Carbon Price Relief



3 Convert to GBP sterling (£)

Convert the relief figure to GBP.

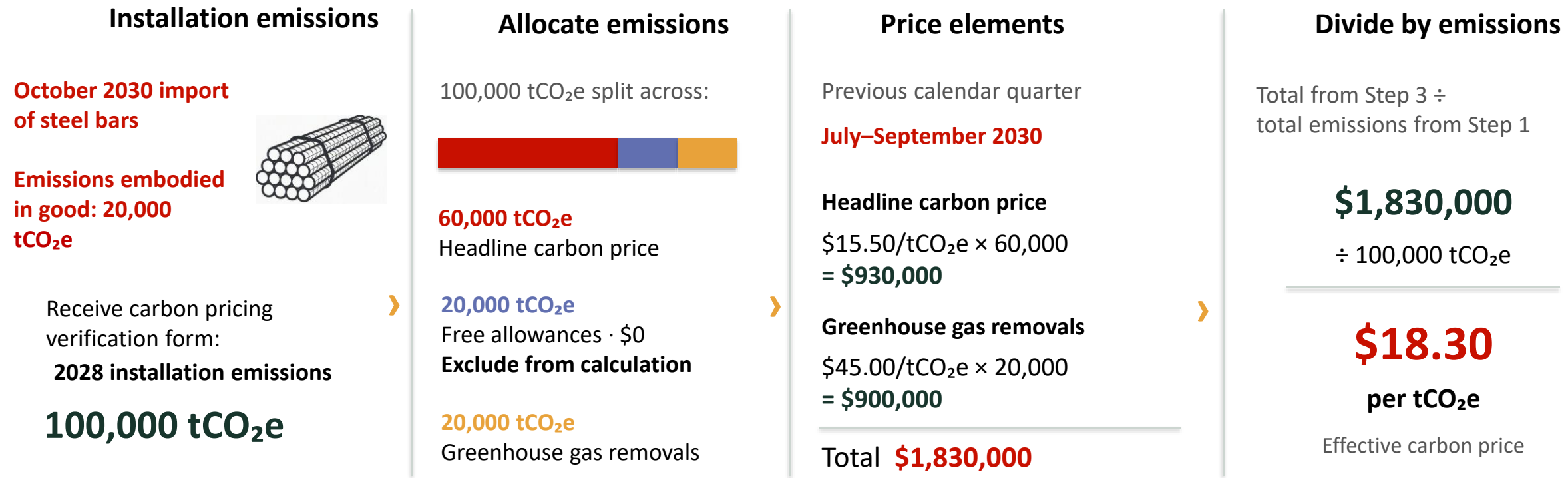
Non-GBP CURRENCY



GBP

Final relief figure

Illustrative example: working out the effective carbon price



Calculate relief for each CBAM good and convert to GBP sterling (£)							US dollar exchange rate		Final relief figure (GBP)	
Effective carbon price		Relevant embodied emissions		Relief (USD)						
\$18.30/tCO ₂ e	×	20,000 tCO ₂ e	=	\$366,000	×	0.7421	=		£271,608.60	

Monitoring, Reporting and Verification



Liable persons report emissions intensity information to HMRC. They will need to have a verification form from **overseas installations** that supply imported goods and keep records.



Overseas installations will need to have **measured their emissions over a period of one calendar year** and **attribute those emissions** to individual goods produced at the installation using **methodologies set out in UK legislation**.

Further details on these methodologies can be found in the Force of Law notice and System Boundaries document

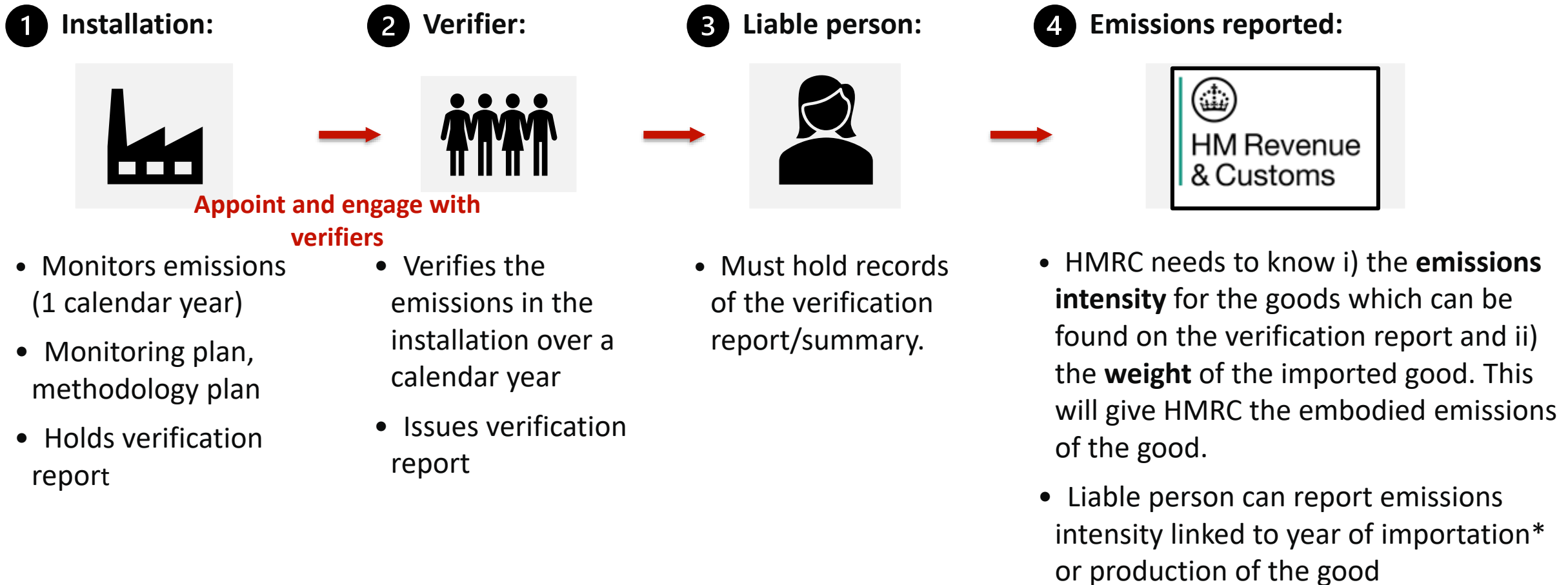


Overseas installations will need to have **appointed an accredited verifier to verify emissions** at the installation in accordance with requirements set out in the legislation and **produce a verification report which the installation can send to the liable person**.

Further detail on verification requirements can be found in the Force of Law notice



Summary of Reporting Actual Emissions – Process



**rules vary depending on year of importation*

Monitoring Direct Emissions

Two approaches to monitoring emissions, aligned with UK ETS:

- **Calculation-based methodology:** measuring inputs/outputs and calculating emissions using standard values or measured parameters
- **Measurement-based methodology:** continuous measurement of concentration of gases in the flue gas

Product level emission intensity:

- Legislation sets out methodologies for attributing emissions to production processes, including where there is uncertainty
- Production process emissions are then converted into emissions intensity figures for CBAM goods in line with calculation methods set out in legislation

Further details on these methodologies can be found in the Force of Law notice and System Boundaries document

Verifier and accreditation body eligibility

Verifiers

Verifiers based in any country are eligible to verify emissions for CBAM if they meet the requirements set out in legislation

Where the verifier has no local accreditation body or that accreditation body is not eligible to or does not accredit verifiers for CBAM, it may seek accreditation from an accreditation body based in another country

Accreditation Bodies

Accreditation bodies based in any country are eligible to accredit verifiers for CBAM, if they meet the requirements set out in legislation

Accreditation bodies must be full members of the Global ACI, and must comply with ISO 17011 and be peer evaluated for their ability to accredit verifiers to ISO 17029 and ISO 14065

Key changes to emissions and verification secondary legislation following consultation:

Providing clarity

- Tweaks to legislation to provide further clarity e.g. defining operator in secondary legislation, re-ordering provisions.
- Amendments made to system boundaries, incl. addressing commodity code errors

Simplifying requirements

- The record-keeping requirement has been simplified so that the liable person is only required to retain the verification report.
- Previously, the legislation specified the relevant information contained within that report.



Monitoring periods

- Extending the period from which emissions data may be sourced for CBAM goods imported in 2027 to include calendar year 2026, provided the most recently verified emissions data is used.

Multifunctional production processes

- The treatment of multifunctional goods have been incorporated into the secondary legislation. These provisions were previously set out in the draft notice with force of law published alongside the consultation. The amendments ensure consistency between the secondary legislation and the Notice.

The force of law notices have also been redrafted to improve the clarity of requirements and amend minor errors or gaps.

UK CBAM timelines and legislative process

