

2026 No.

CARBON BORDER ADJUSTMENT MECHANISM

**The Carbon Border Adjustment Mechanism (Emissions and
Verification) Regulations 2026**

Made - - - - - ***

Laid before the House of Commons ***

Coming into force

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The Treasury make these regulations in exercise of the powers conferred by sections [148(2)] and [157(1)] and [(2)] of the Finance Act 2026(a).

The Commissioners for His Majesty’s Revenue and Customs make these regulations in exercise of the powers conferred by sections [154(4)] and [157(1)] and [(2)] of, and paragraphs [10] and [14] of Schedule [17] to, the Finance Act 2026(a).

PART 1

Preliminary matters

Citation and commencement

1.—(1) These Regulations may be cited as the Carbon Border Adjustment Mechanism (Emissions and Verification) Regulations 2026.

(2) These Regulations come into force on 1st January 2027.

Interpretation

2. In these Regulations—

“accreditation body” has the meaning given by regulation 13;

“carbon dioxide equivalent” has the meaning given by regulation 8;

“default value” means the amount of carbon dioxide equivalent specified for a tonne of CBAM good or precursor good(b) in a notice published by the Treasury under paragraph [11(1)] of Schedule [17] to FA 2026;

“emissions intensity” in relation to a CBAM good has the meaning given by step 7 of regulation 5, and in relation to a precursor good has the meaning set out in a notice under regulation 7;

“installation” means a stationary industrial unit where CBAM goods, either solely or alongside other goods, are manufactured or processed;

“monitoring period” has the meaning given by regulation 9(1);

“precursor good” means a CBAM good which is used in the production of another CBAM good and is identified as relevant to determining the emissions embodied in that CBAM good in the system boundaries document;

“produced” in relation to a good means that all of the processes identified as relevant for the CBAM good or precursor good in the system boundaries document have been completed, and references to production are to be read accordingly;

“relevant emissions” means the specified types of emissions(c) produced by the specified production processes for a CBAM good or a precursor good, as the case may be, as set out in the system boundaries document;

“system boundaries document” means the document entitled “Carbon Border Adjustment Mechanism: System Boundaries Document”, version [1.00] dated [X] which specifies—

(a) Section 152(1) of FA 2026 provides that references to “the Commissioners” are references to the Commissioners for His Majesty’s Revenue and Customs.

(b) “CBAM good” has the meaning given by section 140(2) of FA 2026

(c) “Emissions” has the meaning given by section 151(1) of FA 2026.

- (a) which emissions, including emissions of precursor goods, are to be taken into account when determining the emissions embodied in a CBAM good^(a);
- (b) which production processes, including the production processes of precursor goods, are to be taken into account when determining the emissions embodied in CBAM goods;
- (c) which goods are precursor goods for a CBAM good;
- (d) [how to determine the weight of a CBAM good.]

“tonne” means metric tonne, and any figure in tonnes must be rounded to the nearest tonne, unless the context otherwise requires;

“type” of CBAM good or precursor good means goods falling under a commodity code in Schedule [16] to FA 2026, and “commodity code” has the meaning given in that Schedule;

“verification report” has the meaning given by regulation 15(1);

“verified emissions data” has the meaning given by regulation 10;

“verifier” has the meaning given by regulation 12;

“weight”—

- (a) in step 6 of paragraph (1) of regulation 5 and in paragraph (b) of regulation 7 has the meaning set out in a notice published by the Commissioners;
- (b) in all other cases has the meaning given by regulation [14 of the Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026].

PART 2

Calculating embodied emissions

Emissions attributable to the production of a CBAM good

3. For the purposes of section 145 of FA 2026^(b), emissions that are attributable to the production of a CBAM good means an amount, in tonnes of carbon dioxide equivalent, which must be determined in accordance with this Part.

Default values

4. Where a default value is being used to determine emissions for the CBAM good, the emissions are the weight of the good multiplied by the default value.

Actual emissions

5.—(1) Where no default value is being used for the CBAM good (“the imported CBAM good”) the emissions must be calculated in accordance with the following steps—

Step 1

Identify the monitoring period for the imported CBAM good.

Step 2

(a) “Emissions embodied in a CBAM good” has the meaning given by section 145(1) of FA 2026.
 (b) “FA 2026” has the meaning given by section 278 of FA 2026.

In accordance with the notice published under regulation 6, use verified emissions data from that monitoring period to identify the amount, in tonnes, of relevant emissions emitted by the installation that produced the imported CBAM good in the production of that type of CBAM good during the monitoring period.

Step 3

Where amounts of relevant emissions identified in step 2 are not amounts of carbon dioxide, convert them into an amount of carbon dioxide equivalent in accordance with regulation 8.

Step 4

Add together all amounts from steps 2 and 3 to produce a total amount, in tonnes, of carbon dioxide equivalent.

Step 5

Where precursor goods were used in the production of the imported CBAM good, add all precursor emissions for the imported CBAM good, determined in accordance with regulation 7, to the amount from step 4.

Step 6

Identify the weight of the type of CBAM good produced by the installation during the monitoring period.

Step 7

Subject to paragraph (4), divide the figure from step 4 or, where relevant, step 5 by the figure from step 6 to produce an amount, in tonnes, of carbon dioxide equivalent emitted in the course of the production of a tonne of the type of CBAM good (“the emissions intensity”), rounded to five decimal places.

Step 8

Multiply the emissions intensity by the weight of the imported CBAM good.

(2) This paragraph applies where—

- (a) all precursor goods for a CBAM good to which paragraph (1) applies (“the imported CBAM good”) were produced by the installation that made the imported CBAM good, and
- (b) all the precursor goods produced by that installation that are the same type as the precursor goods for the imported CBAM good are used by that installation in the production of CBAM goods that are the same type as the imported CBAM good.

(3) Where paragraph (2) applies the emissions may be calculated as follows—

- (a) references to a CBAM good in paragraph (1) include all precursor goods for the imported CBAM good;
- (b) omit step 5 from paragraph (1).

(4) The Commissioners may publish a notice specifying how the emission intensity referred to in step 7 of paragraph (1) is to be determined where the CBAM good falls under one of the following headings in the Table in Schedule [16] to FA 2026—

- (a) cement;
- (b) fertilisers.

Attribution

6. The Commissioners may publish a notice specifying how to attribute emissions produced by an installation in a monitoring period to the production of a type of CBAM good.

Precursor emissions

7. In regulation 5, “precursor emissions” means—
- (a) where actual emissions are being used for a precursor good, an amount of emissions for a precursor good used in the production of a CBAM good to which regulation 5 applies determined in accordance with a notice published by the Commissioners and expressed in tonnes of carbon dioxide equivalent, or
 - (b) where a default value is being used for a precursor good, an amount determined by multiplying the default value for a precursor good by the weight of the precursor good used by the installation that produced the imported CBAM good to produce that type of CBAM good in the monitoring period for the imported CBAM good.

Emissions conversion table

8. For the purposes of section 151(3) of FA 2026, one tonne of an emission in the first column of the table is equivalent to the number of tonnes of carbon dioxide equivalent in the second column of the table—

Emission	Tonnes of carbon dioxide equivalent per tonne of emission
Nitrous oxide (N ₂ O)	265
Tetrafluoromethane (CF ₄)	6,630
Hexafluoroethane (C ₂ F ₆)	11,100

PART 3

Monitoring and verification of emissions data

Period for monitoring relevant emissions

- 9.—(1) Relevant emissions must be monitored over a period of a calendar year (a “monitoring period”).
- (2) For a CBAM good imported before 1st January 2028, the monitoring period must be—
 - (a) the calendar year in which the good was imported, or
 - (b) the calendar year in which the good was produced.
 - (3) For a CBAM good imported from 1st January 2028, the monitoring period must be—
 - (a) the most recent calendar year for which there are verified emissions data from the two calendar years preceding the calendar year in which the good was imported, or
 - (b) the calendar year in which the good was produced.
 - (4) Where a CBAM good to which regulation 5(1) applies (“the imported CBAM good”) is produced using precursor goods, the monitoring period for any precursor good must be—
 - (a) the same as the monitoring period for the imported CBAM good, or
 - (b) the calendar year in which the precursor good was produced.
 - (5) The Commissioners may make a notice specifying further provision about monitoring periods, including further provision about the application of paragraph (4) to different classes of precursor goods.

Verified emissions data

- 10.**—(1) Verified emissions data means data about relevant emissions which—
- (a) relate to CBAM goods produced by an installation in a monitoring period,
 - (b) meet the requirements of any notice published under regulation 11, and
 - (c) have been verified by a verifier as satisfactory.
- (2) The Commissioners may publish a notice specifying what is meant by “satisfactory”.

Methodology for measuring relevant emissions

- 11.**—(1) The Commissioners may publish a notice specifying requirements—
- (a) that data on relevant emissions must meet to be used as verified emissions data;
 - (b) that operators of installations must comply with in order for data on relevant emissions from the installation to be used as verified emissions data.
- (2) A notice under paragraph (1) may, in particular—
- (a) provide that emissions may be calculated from the materials and production process used to produce a CBAM good and set out a detailed methodology for doing so;
 - (b) provide that emissions may be measured directly from the gases in the flue of an installation and set out a detailed methodology for doing so;
 - (c) set out requirements for the measurement, sampling or analysis of emissions, materials and fuels, and the frequency with which these must be done;
 - (d) make provision by reference to information or technical standards published by a third party, including by an international organisation,
 - (e) make provision about the treatment of gaps in data or measurement;
 - (f) make provision about the use of estimates or standard values or factors, including how estimates are to be made or standard values or factors are to be determined;
 - (g) set out requirements for the equipment used to measure, sample or analyse emissions, materials and fuels;
 - (h) make provision about the calculation of emissions from precursor goods;
 - (i) make provision about information that operators must provide to a verifier;
 - (j) make provision about how the operator determines the amount of CBAM goods produced during a monitoring period.

Requirements to be a verifier

- 12.**—(1) All verified emissions data for a CBAM good must be verified by a person (“a verifier”) who—
- (a) is independent of—
 - (i) the importer^(a) of the CBAM good,
 - (ii) the installation at which the CBAM good was produced or its operator, and
 - (iii) any installation at which a precursor good for the CBAM good was produced or the operator of the installation,
 - (b) is accredited by an accreditation body to verify relevant emissions for the type of CBAM good to which those emissions relate,

(a) “Importer” has the meaning given by section 143 of FA 2026.

- (c) verifies data in accordance with regulation 14,
 - (d) produces verification reports in accordance with regulation 15, and
 - (e) meets such further standards and requirements specified in a notice published by the Commissioners.
- (2) A notice under paragraph (1)(e) may include—
- (a) technical and accreditation standards that a verifier must meet, including by reference to standards produced by international bodies;
 - (b) provision requiring a verifier to produce and implement a plan for the verification of data at the installation at which the CBAM good was produced, which may include—
 - (i) detail of the activities to be taken to verify data, including requirements on timing and location;
 - (ii) detail on the testing and sampling of data and emissions which will be undertaken by the verifier;
 - (iii) detail on how verifiers will ensure that the operator of an installation is complying with the requirements of regulation 11;
 - (c) requirements that a verifier must be able to obtain information from the operator of an installation in order to verify data from that installation, which may include—
 - (i) information about the goods produced at the installation, and the processes by which those goods are produced;
 - (ii) information on the operator's systems and processes for monitoring emissions;
 - (d) requirements for a verifier to carry out a risk assessment of an installation;
 - (e) provision about the circumstances where a site visit to an installation is required;
 - (f) requirements about the documentation and records the verifier must keep in relation to operators, installations and emissions data;
 - (g) requirements about internal checks and quality assurance processes the verifier must have in place;
 - (h) requirements about information which must be provided to an accreditation body;
 - (i) further standards that a verifier must meet to be independent in accordance with paragraph (1)(a).

Accreditation bodies

- 13.—**(1) A person (“an accreditation body”) must—
- (a) [be a full member of Global Accreditation Cooperation Incorporated, and]
 - (b) meet the requirements specified in a notice published by the Commissioners.
- (2) A notice may, in particular—
- (a) set out technical standards that an accreditation body must meet, including by reference to standards produced by international bodies;
 - (b) set out requirements an accreditation body must meet in order to be independent of a verifier;
 - (c) make further provision about how an accreditation body must assess whether a verifier is competent to verify relevant emissions in relation to a CBAM good;
 - (d) require that an accreditation body visit the premises of a verifier and set out how frequently this should take place;

- (e) set out how an accreditation body should review and quality assure the way in which the verifier verifies emissions data;
- (f) set out when, and how, an accreditation body must reassess the accreditation of a verifier;
- (g) set out how an accreditation body must suspend, revoke or amend an accreditation;
- (h) make provision about the records that an accreditation body must keep.

Verification of data

14.—(1) Verified emissions data must be verified in accordance with requirements specified in a notice published by the Commissioners.

- (2) A notice under paragraph (1) may, in particular—
 - (a) set out requirements which verifiers must undertake during site visits of installations;
 - (b) make provision about the testing, sampling and analysis of emissions data provided to the verifier by the operator of an installation;
 - (c) set out requirements on the activities verifiers must undertake to ensure that data provided by operators meets the requirements of regulations 9 and 11;
 - (d) make provision about the steps a verifier must take if it identifies discrepancies in the data provided by an operator of an installation.

Verification report

15.—(1) A verifier must provide a report (“a verification report”) to the operator of an installation in respect of each monitoring period that they verify.

- (2) The verification report must include—
 - (a) the name and address of the installation to which the report relates,
 - (b) the name, address, and contact information of the operator of the installation,
 - (c) the name and address and contact information of the verifier,
 - (d) the accreditation number of the verifier,
 - (e) the monitoring period to which the report relates, and
 - (f) a verification opinion statement setting out the verifier’s opinion on the accuracy of the emission data produced by the operator.
- (3) The Commissioners may publish a notice specifying further provision about—
 - (a) the information which must be included in a verification report;
 - (b) the information which must be included in a verification opinion statement;
 - (c) the form and manner in which the report must be given to the operator of an installation.

PART 4

Record keeping

Record keeping requirements

16.—(1) A registered or registrable person who imports^(a) a CBAM good, other than CBAM good to which regulation 4 applies, must keep the following records—

(a) “Import” has the meaning given by section 141 of FA 2026.

- (a) the address of the installation at which the CBAM good and, other than a CBAM good to which regulation 5 applies, any precursor good for that CBAM good was produced;
 - (b) the details, including any company number, of the operator of the installation;
 - (c) if the monitoring period used to determine embodied emissions for the good was the calendar year in which the good was produced, the month and year in which the CBAM good was produced along with supporting evidence to show when the good was produced;
 - (d) the dates of the monitoring period applicable to the CBAM good and documentation showing which monitoring period was applicable;
 - (e) the verification report or good-specific verification summary produced for the CBAM good and given to the registered or registrable person by the operator of the installation which produced the CBAM good;
 - (f) the name, address and company number of the verifier;
 - (g) the emissions intensity for the CBAM good and, where relevant, any precursor good.
- (2) Records must be kept for a period of 6 years, beginning with the day after the accounting period to which the records relate.
- (3) The Commissioners may publish a notice specifying what is meant by “good-specific verification summary”.

Name
Name

Two of the Lords Commissioners of His Majesty's Treasury

Name
Name

Two of the Commissioners for His Majesty's Revenue and Customs

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in connection with the introduction of a new tax called the carbon border adjustment mechanism (“CBAM”). CBAM was introduced by the Finance Act 2026.

Part 1 deals with preliminary matters.

Part 2 sets out how emissions embodied in a CBAM good are to be determined for the purposes of the Finance Act 2026.

Part 3 sets out requirements that operators of installations, verifiers and accreditation bodies must meet for data to be used to calculate emissions embodied in a CBAM good.

Part 4 sets out record keeping requirements on registered or registrable persons.

The reference document entitled “Carbon Border Adjustment Mechanism: System Boundaries Document” version [1.00] dated [Y] is available electronically from [gov.uk address]. A person unable to access the document electronically may access it by inspection free of charge at HMRC, 100 Parliament Street, London SW1A 2BQ.

A notice published under a power in these Regulations will be available at the website on [www.gov.uk/X]. A person unable to access a notice electronically may access it by inspection free of charge at HMRC, 100 Parliament Street, London SW1A 2BQ.

[A Tax Information and Impact Note covering this instrument was published on 26th November 2025 alongside Budget 2025 and is available on the website at [TIIN Page]. It remains an accurate summary of the impacts that apply to this instrument.]