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STATUTORY INSTRUMENTS

2026 No. 995

CARBON BORDER ADJUSTMENT MECHANISM

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

Made - - - -	*8th September 2026*
Laid before the House of Commons	*9th September 2026*
Coming into force - -	*1st January 2027*

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17. Amendment of the Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026

The Treasury make regulations 1 to 5 and 7 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 regulations 1, 2, 6, 7, 8 and 9 to 17 in exercise of the powers conferred by sections 154(4) and 157(1) and (2) of, and paragraphs 7(3), 10, 13 and 14 of Schedule 17 to, the Finance Act 2026(**b**).

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 15;

"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(**c**) or precursor good in a notice published by the Treasury under paragraph 11(1) of Schedule 17 to FA 2026(**d**);

"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;

"imported CBAM good" has the meaning given by regulation 5(1);

"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);

"operator" of an installation means a person who has control over its operation;

(**a**) 2026 c. 11 ("FA 2026").
(**b**) Section 155(1) of FA 2026 provides that references to "the Commissioners" are references to the Commissioners for His Majesty's Revenue and Customs.
(**c**) "CBAM good" has the meaning given by section 143 of FA 2026
(**d**) "FA 2026" has the meaning given by section 278 of FA 2026.

"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(**a**) 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 10th July 2026 which specifies—

(a) which emissions, including those relevant to the production of precursor goods, are to be taken into account when determining the emissions embodied in a CBAM good(**b**);

(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(**c**) in Schedule 16 to FA 2026;

"verification opinion statement" has the meaning given by regulation 14(2)(f);

"verification report" has the meaning given by regulation 14(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 regulation 5(1) and in paragraph (b) of regulation 7 means the weight, in tonnes, determined in accordance with the system boundaries document;

(b) in all other cases means the weight of a CBAM good—

(i) without packing materials and packing containers of any kind,

(ii) at the time that good is imported into the United Kingdom(**d**), and

(iii) expressed in tonnes.

(**a**) "Emissions" has the meaning given by section 154 of FA 2026.
(**b**) "Emissions embodied in a CBAM good" has the meaning given by section 148(1) of FA 2026.
(**c**) "Commodity code" has the meaning given by paragraph 2 of Schedule 16 to FA 2026.
(**d**) A CBAM good is imported into the United Kingdom for the purposes of CBAM if it meets the description in section 144 of FA 2026.

PART 2

Calculating embodied emissions

Emissions attributable to the production of a CBAM good

3. For the purposes of section 148 of FA 2026, 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 ("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

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

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 an imported CBAM good were produced by the same installation that made the imported CBAM good,

(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, and

(c) no default value is being used for the imported CBAM good.

(3) Where paragraph (2) applies the emissions for the imported CBAM good may be calculated in accordance with paragraph (1) as follows—

(a) references to a CBAM good include all precursor goods for the imported CBAM good;

(b) omit step 5 from paragraph (1).

(4) This paragraph applies where no default value is being used for an imported CBAM good and the good falls under one of the following headings in the Table in Schedule 16 to FA 2026—

(a) cement;

(b) fertilisers.

(5) Where paragraph (4) applies, emissions for the imported CBAM good must be calculated in accordance with paragraph (1) as if for step 7 there were substituted—

"Step 7

Divide the figure from step 4 or, where relevant, step 5 by the figure from step 6 and multiply the resulting figure in accordance with a conversion equation set out in a notice published by the Treasury 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.".

(6) Emissions for an imported CBAM good for which no default value is used, and which was produced by an installation that produces multifunctional goods, may be calculated in accordance with paragraph (1) as if—

(a) in step 2, the reference to "that type of CBAM good" were to "multifunctional goods";

(b) for step 5 there were substituted—

"Step 5

Add all precursor emissions for the multifunctional goods, determined in accordance with regulation 7, to the amount from step 4.";

(c) in steps 6 and 7, the reference to "type of CBAM good" were a reference to "multifunctional goods".

(7) The Treasury may publish a notice setting out cases where emissions for an imported CBAM good must be calculated in accordance with paragraph (1) as if the modifications made by paragraph (6) applied.

(8) In this regulation, "multifunctional goods" means CBAM goods which meet the conditions set out in a notice published by the Treasury.

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 154(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_2O)	265
Tetrafluoromethane (CF_4)	6,630
Hexafluoroethane (C_2F_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 either—

(a) the most recent of the calendar years for which there are verified emissions data from the calendar year in which the good was imported or the preceding calendar year, or

(b) the calendar year in which the good was produced.

(3) For a CBAM good imported on or after 1st January 2028, the monitoring period must be either—

(a) the most recent of the calendar years 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 the imported CBAM good is produced using precursor goods, the monitoring period for any precursor good must be either—

(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 publish 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. Verified emissions data means data about relevant emissions—

(a) for CBAM goods produced by an installation in a monitoring period,

(b) which meet the requirements imposed under regulation 11, and

(c) for which a verifier has given a verification opinion statement that the data are sufficiently accurate to be used as verified emissions data.

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, and

(**a**) "Importer" has the meaning given by section 146 of FA 2026.

(c) meets such further standards and requirements specified in a notice published by the Commissioners.

(2) A notice under paragraph (1)(c) 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 requirements imposed under 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).

Verification of data

13.—(1) Verified emissions data must be verified by a verifier 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 imposed by or under regulations 9 and 11;

(d) make provision about the steps a verifier must take if the verifier identifies discrepancies in the data provided by an operator of an installation.

Verification report

14.—(1) A verifier must provide a report ("a verification report") to the operator of an installation in respect of each monitoring period that the verifier verifies.

(2) The verification report must include—

(a) the name and address of the installation to which the report relates,

(b) the name and address of the operator of the installation,

(c) the name and address of the verifier,

(d) the accreditation number of the verifier,

(e) the monitoring period to which the report relates, and

(f) a statement ("a verification opinion statement") setting out the verifier's opinion on whether the emissions data produced by the operator are sufficiently accurate to be used as verified emissions data.

(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) how the verifier may conclude that emissions data are sufficiently accurate to be used as verified emissions data;

(d) the form and manner in which the report must be given to the operator of an installation.

Accreditation bodies

15.—(1) A person ("an accreditation body") must—

(a) be a full member of the Global Accreditation Cooperation Incorporated, a New Zealand incorporated society with the incorporation number 50223540, 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.

PART 4

Record keeping

Record keeping requirements

16.—(1) A registered person or registrable person(**a**) who makes a return to HMRC for a CBAM good must keep the verification report or good-specific verification summary for the emissions intensity submitted on the return.

(2) Paragraph (1) does not apply to a return for a CBAM good to which regulation 4 applies.

(3) The verification report or good-specific verification summary must be kept for a period of 6 years, beginning with the day after the accounting period to which the records relate.

(4) The Commissioners may publish a notice specifying what is meant by "good-specific verification summary".

PART 5

Amendments

Amendment of the Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026

17.—(1) The Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026(**b**) are amended as follows.

(2) In regulation 5, after paragraph (d) insert—

"(e) where applicable, that section 147(2) applies to the good(**c**).".

(3) In regulation 10—

(a) in paragraph (1), after sub-paragraph (d) insert—

"(e) where a default value is being used to determine the emissions embodied in the CBAM good, the level of the default value;

(f) where actual emissions data are being used to determine the emissions embodied in the CBAM good, the emissions intensity which must be verified by a verifier;

(g) whether the CBAM good was produced using another CBAM good which meets the conditions in section 147(3)(a) and (b).";

(b) after paragraph (3), insert—

"(4) In this regulation—

"CBAMEV Regulations" means the Carbon Border Adjustment Mechanism (Emissions and Verification) Regulations 2026;

"default value" has the meaning given by regulation 2 of the CBAMEV Regulations;

(**a**) "Registered person" and "registrable person" have the meaning given by paragraph 2(10) of Schedule 17 to FA 2026.
(**b**) S.I. 2026/802.
(**c**) Regulation 2(a) of S.I. 2026/802 provides that, unless stated otherwise, references to a section are to sections of FA 2026.

"emissions intensity" has the meaning given by step 7 of regulation 5 of the CBAMEV Regulations;

"verifier" has the meaning given by regulation 12 of the CBAMEV Regulations.".

Christian Wakeford
Claire Hughes
8th September 2026 Two of the Lords Commissioners of His Majesty's Treasury

Helen Pickles
Myrtle Lloyd
7th September 2026 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 on operators of installations, verifiers and accreditation bodies about the production and verification of data which are used to calculate emissions embodied in a CBAM good.

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

Part 5 makes amendments to the Carbon Border Adjustment Mechanism (Administrative Provisions) Regulations 2026 to introduce an additional record keeping obligation and to require that additional information is provided on a return.

The reference document entitled "Carbon Border Adjustment Mechanism: System Boundaries Document" version 1.00 dated 10th July 2026 is available on the website at https://www.gov.uk/government/collections/carbon-border-adjustment-mechanism. 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 on the website at https://www.gov.uk/government/collections/carbon-border-adjustment-mechanism. 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. It has been updated alongside this instrument with further information on business impacts and is available on the website at https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins.

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