

Taiwan, China

General Information

ETS Description

Taiwan, China, enacted the “Climate Change Response Act” (the Act) in 2023, which legislates reaching an economy-wide net zero GHG emissions target by 2050. The Act amends the 2015 “GHG Reduction and Management Act”, which stipulates that the Ministry of Environment (MOENV) – in consultation with other relevant central competent authorities – will lead on climate policy design and implementation, including the carbon fee and ETS.

Mandatory emissions reporting for entities with annual emissions above 25,000 tCO₂e from certain sectors has been in place since 2014. Entities in the energy and industry sectors with annual direct and indirect GHG emissions of more than 25,000 tCO₂e have MRV responsibilities.

In August 2024, MOENV published three carbon fee regulations. The fee of TWD 300 (USD 9.62) per tCO₂e is levied on power and manufacturing industries that emit more than 25,000 tCO₂e per year. Covered entities subject to the carbon fee are required to calculate and pay their carbon fees based on their total 2025 GHG emissions by May 2026. Preferential fees of TWD 100 and 50 (USD 3 and USD 1.60) are available for covered entities upon meeting certain criteria, including application for self-determined emission reduction plans.

In October 2024, the Minister of Environment announced that Taiwan will transition from the carbon fee to an ETS within four years. In January 2025, the Vice Premier further declared that the government is aiming to accelerate the transition to an ETS, which could be piloted in the second half of 2026. The ETS is expected to be fully implemented in 2027 or 2028, operating in parallel with the carbon fee scheme.

Alongside the carbon fee and the planned transition to an ETS, MOENV is conducting public and industry consultations on a Taiwanese Carbon Border Adjustment Mechanism (CBAM). Relevant regulations are expected to be finished and piloted in the first half of 2026, with trial phase reports on the carbon content of regulated products for 2026 to be submitted in the first quarter of 2027. The first phase of the planned CBAM will cover cement and steel products. The government will continue to engage with the cement and steel sectors to improve the trial system design and align reporting rules with other similar systems.

ETS Status

under consideration

Jurisdictions

Taiwan, Province of China

Emissions & Targets

GHG reduction targets

By 2025: 10% below 2005 GHG levels (“Executive Yuan”)

By 2030: 28% ±2% reduction in GHGs from 2005 levels (NDC 3.0)

By 2032: 32%±2% reduction in GHGs from 2005 levels

By 2035: 38%±2% reduction in GHGs from 2005 levels (NDC 3.0)

By 2050: Net-zero emissions (Climate Change Response Act)

Flexibility & Linking

Offset credits

The Climate Change Response Act stipulates that early domestic action and offset credits, such as from conversion of low-carbon fuels, energy efficiency improvement and carbon sink projects, will be allowed to meet carbon fee and ETS obligations. The MOENV, in consultation with relevant central competent authorities, will also recognize international offset credits with the standards to be decided later.

Other carbon pricing instruments in the jurisdiction

Carbon tax: Taiwan Carbon Fees

Domestic crediting mechanisms: Voluntary Emissions Reduction Mechanism

Other Information

Institutions involved

Ministry of Environment (MOENV): Responsible for establishing regulations for the carbon fee, ETS, and CBAM.

Ministry of Economic Affairs: Central authority to be consulted by TEPA for regulations on ETS, in particular for allocation, leakage and international credits.

Financial Supervisory Commission: Responsible for setting up a carbon exchange, and to be consulted by TEPA for regulations on trading of credits.

Taiwan Carbon Solution Exchange: Responsible for domestic and international carbon credit trading.

Regulatory Framework

[Climate Change Response Act \(2023\)](#)

[Regulations Governing GHG Certification and Verification Institutions \(2023\)](#)

[Measures on GHG voluntary emission reduction project management \(2023\)](#)

[Measures on GHG emission increase offset management \(2023\)](#)

[Regulations Governing the Collection of Carbon Fees \(2024\)](#)

[Designated Greenhouse Gas Reduction Goals for Entities Subject to Carbon Fees \(2024\)](#)

[Regulations for Administration of Self-Determined Reduction Plans \(2024\)](#)

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