

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 emission target by 2050. The Act amends the 2015 “GHG Reduction and Management Act”, which stipulates that the Taiwanese Environmental Protection Administration (TEPA) will implement a domestic cap-and-trade scheme.

Mandatory emissions reporting for entities with annual emissions above 25,000 tCO₂e from certain sectors has been in place since 2014. The “2018 Regulations Governing GHG Offset Program Management” allows enterprises to acquire carbon offset credits.

In August 2023, Taiwan upgraded the TEPA to a Ministry of Environment (MoE), which in turn established a new Climate Change Administration (CCA) to lead – in consultation with other relevant central competent authorities – on climate policy design and implementation, including the carbon fee and ETS.

The Act requires the government to develop the carbon fee and ETS regulations. In August 2024, the MoE published three carbon fee regulations, aiming to reduce 37 million tCO₂e by 2030. The fee of TWD 300 (USD 9.34) per tCO₂e will be levied on power and manufacturing industries that emit more than 25,000 tCO₂e per year. Covered entities subject to the carbon fee will be required to calculate and pay their carbon fees based on their total 2025 GHG emissions by May 2026. Preferential fees will be available for covered entities upon meeting certain criteria, including application for self-determined emission reduction plans.

Under carbon fee regulations the use of emission reduction credits from domestic voluntary reduction projects and offset projects is allowed for compliance purposes, up to a limit of 10% of the entity's total chargeable emissions. Facilities in sectors at a low risk of carbon leakage are also permitted to use international reduction credits for up to 5% of their covered emissions. The MoE is to approve the standards for recognizable international offset credits.

In October 2024, the Minister of Environment announced that Taiwan will transfer from the carbon fee to an ETS within four years. In January 2025, the Vice Prime Minister further declared that the government is aiming to accelerate the transition to an ETS, which could be implemented as early as 2026.

ETS Status

under consideration

Jurisdictions

Taiwan, Province of China

Emissions & Targets

Overall GHG Emissions excl. LULUCF (MtCO₂e)

286.0 MtCO₂e (2022)

GHG reduction targets

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

By 2030: Around 28% reduction in GHGs from 2005 levels (MoE)

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 will be allowed to meet carbon fee and ETS obligations. The MoE, in consultation with relevant central competent authorities, will also recognize international offset credits with the standards and cap to be decided later.

Compliance

Monitoring, Reporting, Verification (MRV)

REPORTING FREQUENCY: Annual reporting of GHGs (CO₂, CH₄, N₂O, SF₆, NF₃, PFCs and HFCs) for entities from certain sectors (power, steel, petrochemicals, cement, and manufacturing of semiconductors and flat panel displays) with annual emissions greater than 25,000 tCO₂e. Currently, 297 entities are covered by the mandatory reporting scheme.

VERIFICATION: Third-party verification is required.

FRAMEWORK: GHG reporting under the “Air Pollution Control Act” was on a voluntary basis from 2004 and became mandatory in 2014. Then the reporting was further required by the Act after it was enacted in 2015.

Other Information

Institutions involved

Ministry of Environment: Responsible for establishing regulations for the carbon fee and ETS.

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.

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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