Türkiye Emission Trading System

General Information

ETS Description

In July 2025, Türkiye enacted its first Climate Law, establishing the legal basis for a national ETS (TR ETS) to support the country's net-zero target. The law created the Carbon Market Board, chaired by the Minister of Environment, Urbanization and Climate Change, which is responsible for approving national allocation plans, determining free allowance distribution, and setting offset credit limits. Day-to-day ETS management is assigned to the Directorate of Climate Change (DoCC). Energy Exchange Istanbul (EXIST) will operate the market and registry, with market oversight rules set by the Energy Market Regulatory Authority (EMRA).

Under the Climate Law, the pilot phase of the TR ETS is expected to start in 2026. Following the law's enactment, a draft ETS regulation dealing with implementation topics was published in July 2025 for stakeholder consultation.

These developments align with Türkiye's "2053 Long-Term Climate Strategy" and the "Medium-Term Program 2026 to 2028". Both documents anticipated TR ETS implementation upon completion of its legal framework while ensuring alignment with the EU's CBAM and channeling ETS revenues toward financing the green transformation. The Climate Law earmarks up to 10% of ETS revenues for just transition measures supporting vulnerable groups and sectors.

Türkiye submitted its updated Nationally Determined Contribution (NDC 3.0) in November 2025, pledging to limit emissions to 643 $MtCO_2e$ in 2035 – a reduction of 466 $MtCO_2e$ compared to the business-as-usual scenario. The country will also host COP 31 in 2026.

ETS Status

under development

Jurisdictions

Turkey

Emissions & Targets

Overall GHG Emissions excl. LULUCF (MtCO2e)

552.2 $MtCO_2e$ (*2023*)

GHG reduction targets

By 2030: Reduce GHG emissions by 41% relative to BAU, equivalent to 695 $MtCO_2e$ in 2030 (updated first NDC)
By 2035: Reduce GHG emissions by 42% relative to BAU, equivalent to 643 $MtCO_2e$ in 2035 (NDC 3.0)

By 2053: Net-zero GHG emissions

Compliance

Monitoring, Reporting, Verification (MRV)

FRAMEWORK: The Turkish MRV regulation establishes an installation-level system for GHG emissions for more than 800 facilities. It has operated at installation level since 2015 for the energy and industry sectors. Sector coverage includes the energy sector (e.g., total rated thermal input 20 MW or above for combustion installations) and a range of industrial activities listed in Annex-1 of the MRV regulation (e.g., oil refining, coke production, iron and steel, cement clinker, glass, ceramics, pulp and paper, nitric acid, ammonia, and other activities subject to Annex-1 capacity thresholds). The system covers about half of the country's aggregate emissions. The Climate Law assigns MRV management (for ETS purposes) to the DoCC and sets penalties linked to non-submission of verified annual emissions report.

MONITORING: Operators must monitor emissions in line with a monitoring plan which must be submitted for approval at least six months before actual monitoring starts.

MRV applies to the Annex-1 activity list of the MRV regulation and the thresholds specified therein.

REPORTING: Covered entities must submit their annual emission reports to the competent authority before the end of April 30 of the year following the reporting period.

VERIFICATION: Third-party verification is required before submission of the annual emissions report. Verification is annual (each annual emissions report must be verified). Verifiers must be accredited by the Turkish Accreditation Agency (TÜRKAK) in relevant fields according to TS EN ISO 14065. Legislation requires verifiers to be accredited in relevant fields according to ISO/IEC 17029 (with accreditation by TÜRKAK), and verification assignments to be made via MEDAS, a web-based system designed to ensure verifier independence.

Penalties and enforcement

Under the Climate Law, late submission of a verified emissions report triggers a fine of TRY 500,000-5,000,000 (USD 12,673-126,723) for MRV-regulated entities; for ETS entities, this fine is doubled and their registry accounts are restricted to surrender-only until submission. Operating without a valid GHG emissions permit results in either a fine of TRY 5 (USD 0.10) per tCO2e (based on the highest verified annual emissions in the last five years) or TRY 1,000,000–10,000,000 (USD 25,346–253,455) if no verified report exists. Failure to surrender is fined at two times the higher recent primary/secondary price per missing allowance. Persistent shortfalls (<80% for three years) lead to GHG emissions permit cancellation and a temporary ban. The cap per infringement is TRY 50,000,000 (USD 1,267,273). Fines are discounted by 80% during the pilot phase.

Other Information

Institutions involved

Carbon Market Board: Approves the national allocation plan and decides on free allocation, auction volumes, offset-use rates, and core ETS and international carbon market policies. Consists of relevant ministries and other public authorities.

Advisory Board: Takes advisory decisions for Carbon Market Board's consideration. Consists of business associations and NGOs.

Directorate of Climate Change (DoCC): The Competent Authority which administers ETS implementation and MRV. It manages allocation processes, runs the MRV process, regulates offsetting and the use of carbon credits in ETS compliance, develops policy on importing/exporting carbon credits, coordinates cooperation with other ETS, and supports arrangements for mutual recognition.

Energy Exchange Istanbul (EXIST): The ETS market operator, organizing and operating ETS trading, conducting financial settlement and related financial processes, maintaining the transaction registry system, and reporting market abuse.

The Energy Market Regulatory Authority (EMRA): Oversees and regulates market surveillance and supervision rules against market-distorting behavior in the ETS market, taking the Capital Markets Board's opinion.

Turkish Accreditation Agency (TÜRKAK): Accredits GHG verification bodies required for MRV, including accreditation to TS EN ISO 14065 for verification activities.

Regulatory Framework

Climate Law No. 7552 (2025)

Regulation on Monitoring and Reporting of GHGs (2014)

Regulation on the Verification of Greenhouse Gas Emission Reports and the Accreditation of Verification Bodies (2017)

Regulation on the DoCC (2022)

Presidential Decree establishing DoCC
Long-Term Climate Strategy (2025)

2026 to 2028 Medium-Term Program (2025)

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