

July 2025

TAIWAN CARBON FEE

Years in operation	2025
Overall cap and trajectory	N/A
Target(s)	Current economy-wide targets, against a 2005 base year, are: -2% by 2020 -10% by 2025 -28 +/- 2% by 2030 -32 +/- 2% by 2032 -38 +/- 2% by 2035 Net zero by 2050.
Emissions reduced to date	-4.64% (2023)
Sectors covered	Installations with emissions (direct and indirect) in excess of 25,000 tonnes CO ₂ e/year in the iron and steel, petrochemical, cement, pulp and paper, semiconductor, flat panel display, textile sectors. Direct emissions from the power sector are excluded.
GHGs covered	CO ₂ CH ₄ N ₂ O HFCs PFCs SF ₆ NF ₃
Number of covered entities	297 companies (464 facilities)
Allocation method	N/A
Trading rules	MOENV promulgated the trading regulations in July 2024 and designated the Taiwan Carbon Solution Exchange as the official trading platform for domestic credits to be used to offset the carbon fee.
Use of offsets and linking	Domestic carbon credits –Under Taiwan’s domestic crediting mechanism, credits issued under the GHG Offset Project, or the Voluntary Emission Reduction Project may be used to offset up to 10 percent of a company’s chargeable emissions subject to the carbon fee. International carbon credits –International credits recognized by Taiwan’s Ministry of Environment may be used to offset up to 5 percent of a company’s chargeable emissions subject to the carbon fee. Taiwan’s Ministry of Environment is currently developing recognition criteria for eligible international credits.

Penalties for non-compliance	For outstanding amount after the deadline, a daily interest rate of 0.5% will be applied.
Other features	Carbon Fee Rates: <ol style="list-style-type: none"> 1. Standard Rate: NT\$300 per ton of CO₂ equivalent (tCO₂e). 2. Preferential Rate A: NT\$50 for entities meeting industry-specific reduction targets under self-determined plans. 3. Preferential Rate B: NT\$100 per ton for entities meeting technology benchmark reduction rates under self-determined plans.
Use of revenue	Proceeds from carbon fee, ETS auctions and trading fees will be put in the GHG Management Fund, which can be used to: <ol style="list-style-type: none"> 1. Inspect emission sources 2. Subsidise to special municipalities, counties and cities for implementation of GHG reduction 3. Subsidise to the central industry competent authorities for implementation of GHG reduction 4. Subsidise and grants to entities for investment in GHG reduction technologies 5. Providing assistance, subsidies, and grants for efforts to reduce GHG emissions other than the three items mentioned above, and research and develop GHG reduction technologies 6. Administrative affairs for holding accounts establishment in the Registry, auctions, sales and allowance trading 7. Employ staff to carry out administrative services in GHG reduction and management 8. Coordinate, plan and implement adaptation to climate change 9. Promote related matters concerning carbon footprint management mechanism 10. Educate the public and promote related matters concerning climate change and GHG reduction 11. Conduct climate change and GHG reduction related international affairs 12. Assist the central competent agency to execute just transition 13. Carry out research in climate change adaptation and GHG reduction

MAJOR DEVELOPMENTS

- i. Under the domestic crediting mechanism, MOENV is phasing out the GHG Offset Project and transitioning to the Voluntary Emission Reduction Project. MOENV is also actively reviewing and approving new methodologies, particularly those focused on nature-based solutions. In July 2024, MOENV published the Regulations Governing Trading, Auctions, and Transfer of Greenhouse Gas Reduction Credits to facilitate domestic carbon credit trading.
- ii. Taiwan Carbon Solution Exchange (TCX), co-invested by Taiwan Stock Exchange and National Development Fund, launched its International Carbon Credit Trading Platform in December 2023 and its Domestic Carbon Credit Trading Platform in October 2024.
- iii. For international carbon credits, Taiwanese companies currently purchase such credits for voluntary

purposes, including carbon neutrality claims and supply chain compliance.

- iv. MOENV is considering establishing a pilot ETS by 2026 at the earliest, transitioning to a mandatory ETS by 2028, with the ETS planned to be implemented in conjunction with the carbon fee.

MARKET COMMENTARY

As of May 2025, 95 and 18 projects have been registered under the GHG Offset Project and the Voluntary Emission Reduction Project, respectively. Since the launch of the domestic platform in October 2024, credit prices have ranged from NT\$2,500 to NT\$4,000 per tCO₂e (approximately USD 80–130).

USEFUL LINKS

[Climate Change Administration, MOENV](#)

[Taiwan Carbon Solution Exchange](#)

REFERENCES

Law & Regulations Database of the Republic of China (Taiwan)

[Climate Change Response Act](#)

Law & Regulations Database of the Republic of China (Taiwan)

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

AUTHORS

Nadine Lim

International Policy Analyst

IETA

lim@ieta.org

Vivian Tsui

Deputy Project Manager
International Cooperation and Business
Development Department Taiwan
Carbon Solution Exchange (TxC)

Vivian.tsui@tcx.com.tw

Robert Shih

General Manager
YC Holdings Inc.

robert@yourcarbon.com.tw

