



30 Monck Street
London SW1P 2AP
T: +44 (0)20 7340 0550
E: technical@ciot.org.uk

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

Response by the Chartered Institute of Taxation

- 1.1. The Chartered Institute of Taxation (CIOT) is an educational charity, promoting education and study of the administration and practice of taxation. One of our key aims is to work for a better, more efficient, tax system for all affected by it – taxpayers, their advisers and the authorities. Our comments and recommendations on tax issues are made solely in order to achieve this aim; we are a non-party-political organisation.
- 1.2. The CIOT's work covers all aspects of taxation, including direct and indirect taxes and duties. Through our Low Incomes Tax Reform Group (LITRG), the CIOT has a particular focus on improving the tax system, including tax credits and benefits, for the unrepresented taxpayer.
- 1.3. The CIOT draws on our members' experience in private practice, commerce and industry, government and academia to improve tax administration and propose and explain how tax policy objectives can most effectively be achieved. We also link to, and draw on, similar leading professional tax bodies in other countries.
- 1.4. Our members have the practising title of 'Chartered Tax Adviser' and the designatory letters 'CTA', to represent the leading tax qualification.
- 1.5. Our stated objective for the tax systems include:
 - A legislative process that translates policy intentions into statute accurately and effectively, without unintended consequences.
 - Greater simplicity and clarity, so people can understand how much tax they should be paying and why.
 - Greater certainty, so businesses and individuals can plan ahead with confidence.
 - A fair balance between the powers of tax collectors and the rights of taxpayers (both represented and unrepresented).
 - Responsive and competent tax administration, with a minimum of bureaucracy.

2. Comments on the draft regulations

- 2.1. Subject to additional comments below, we consider these draft regulations will achieve their aims.
- 2.2. The interpretation of an 'installation' appears to refer to a single site, though a manufacturer may use several sites in the production and processing of its CBAM goods.
- 2.3. Regulation (2) states that 'any figure in tonnes must be rounded to the nearest tonne', which we assume means that businesses will need to either round up or round down, depending on the decimal values, so that position could be clearer. Businesses that round up tonnage may be subject to an increased CBAM cost.
- 2.4. In step (7) of paragraph (1) of regulation (5), it states that the emissions intensity must be 'rounded to five decimal places', though it is not clear if this means only round up, only round down or round to the nearest number (i.e. a combination rounding up and rounding down, depending on the decimal values).
- 2.5. Regulation (7) provides the interpretation of 'precursor emissions', rather than being with other interpretations in regulation (2). It is also defined after the first use of the terminology in step (5) of paragraph (1) of regulation (5), which may be confusing.
- 2.6. An interpretation for the term 'operator' is not provided in the regulations or by means of a referral to a notice, though the term is used nineteen times.
- 2.7. We note that there are twenty-two referrals to a published notice, which increases complexity having to cross reference to separate documents to understand this draft legislation. Updates to the notice may vary the effect of these regulations, which impacts certainty.

3. Acknowledgement of submission

- 3.1. We would be grateful if you could acknowledge safe receipt of this submission and ensure that the Chartered Institute of Taxation is included in the List of Respondents when any outcome of the consultation is published.

The Chartered Institute of Taxation

21 May 2026