
STATUTORY INSTRUMENTS

2026 No. 830

CARBON BORDER ADJUSTMENT MECHANISM

**The Carbon Border Adjustment Mechanism
(Transitory Provision) Regulations 2026**

Made - - - - *14th July 2026*
Coming into force - - *1st January 2027*

The Treasury make these Regulations in exercise of the powers conferred by sections 157(1)(b) and 158(2) and (3) of the Finance Act 2026⁽¹⁾.

Citation, commencement and effect

1.—(1) These Regulations may be cited as the Carbon Border Adjustment Mechanism (Transitory Provision) Regulations 2026 and come into force on 1st January 2027.

(2) Regulation 2(2) has effect in relation to any person who triggers registration⁽²⁾ in 2027.

(3) Regulation 2(3) and (4) have effect in relation to charges to CBAM arising in the period beginning with 1st January 2027 and ending with 30th June 2028.

(4) Regulation 3 has effect in relation to returns in respect of accounting periods ending with or before 30th June 2028.

Modifications to Schedule 17 to the Finance Act 2026

2.—(1) Schedule 17 to the Finance Act 2026 has effect with the following modifications.

(2) In paragraph 2 (duty to register with HMRC), in sub-paragraph (4) “31st January 2028” is treated as substituted for the words from “the period of 30 days” to the end.

(3) In paragraph 6 (payment and accounting periods), the following is treated as substituted for sub-paragraphs (2) and (3)—

“(2) The accounting periods are—

(a) for 2027, the period beginning with 1st January 2027 and ending with 31st December 2027;

(b) for 2028—

(i) the period beginning with 1st January 2028 and ending with 31st March 2028;

(1) 2026 c. 11.

(2) To “trigger registration” has the same meaning as in paragraph 2(2) of Schedule 17 to the Finance Act 2026.

- (ii) the period beginning with 1st April 2028 and ending with 30th June 2028.
- (3) Payment in respect of an accounting period must be made—
- (a) in respect of the accounting period ending with 31st December 2027, before the end of 31st May 2028;
 - (b) in respect of the accounting period ending with 31st March 2028, before the end of 31st July 2028;
 - (c) in respect of the accounting period ending with 30th June 2028, before the end of 29th September 2028.”.
- (4) In paragraph 7 (returns), the following is treated as substituted for sub-paragraph (2)—
- “(2) A return under this paragraph must be made—
- (a) in respect of the accounting period ending with 31st December 2027, before the end of 31st May 2028;
 - (b) in respect of the accounting period ending with 31st March 2028, before the end of 31st July 2028;
 - (c) in respect of the accounting period ending with 30th June 2028, before the end of 29th September 2028.”.

Modification to [Schedule 24](#) to the [Finance Act 2021](#)

3. In [Schedule 24](#) to the [Finance Act 2021](#)(**3**) (penalties for failure to make returns etc), in the Table in paragraph 2(1), the following is treated as substituted for item 6(**4**)—

“6	Carbon border adjustment mechanism	Return under paragraph 7(1) and Schedule 17 to FA 2026	Return under paragraph 7(1) of and (2)(b) or (c) of Schedule 17 to FA 2026	”.
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14th July 2026

Christian Wakeford
Deirdre Costigan
 Two of the Lords Commissioners of His
 Majesty's Treasury

(3) [2021 c. 26](#).

(4) Item 6 in the Table in paragraph 2(1) was inserted by paragraph 35 of Schedule 17 to the Finance Act 2026.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make transitory provision in relation to Part 5 of the Finance Act 2026, which concerns the introduction of the carbon border adjustment mechanism (“CBAM”).

Regulation 1 provides that the modifications made by these Regulations only have effect in respect of anyone that triggers registration in 2027, charges to CBAM that arise between 1st January 2027 until 30th June 2028, or returns relating to any accounting periods up until 30th June 2028.

Regulation 2 modifies the effect of paragraphs 2(4) and 6(2) of Schedule 17 to the Finance Act 2026 to temporarily delay the obligation to register for CBAM and extend the duration of the first accounting period for CBAM. It also makes modifications to the deadlines for making returns and payment under paragraphs 6(3) and 7(2) of that Schedule.

Regulation 3 makes modifications to Schedule 24 to the Finance Act 2021 in consequence of the longer first accounting period.

A Tax Information and Impact Note covering this instrument was published on 26th November 2025 alongside Budget 2025 and is available on the website at <https://www.gov.uk/government/publications/introduction-of-carbon-border-adjustment-mechanism>. It remains an accurate summary of the impacts that apply to this instrument.