Content

Title：	Principles for Reviewing Applications by Entities Subject to Carbon Fees to Be Classified as Having High Carbon Leakage Risks Ch
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Content：

These Principles are established by the Ministry of Environment (hereinafter referred to as "the Ministry") in order to govern the review operations for determining whether an entity subject to carbon fees (hereinafter referred to as an "entity") is at high carbon leakage risk, as described in Article 6 of the Regulations Governing the Collection of Carbon Fees.

An entity that meets any one of the following qualifying conditions may apply to the Ministry for determination as being at high carbon leakage risk:
(1).An entity belonging to an industry at high carbon leakage risk listed in Appendix 1.
(2).An entity whose carbon fee payable for the fee collection year accounts for 30% or more of the gross profit of the legal person to which it belongs, or whose affiliated legal person records a negative gross profit for the fee collection year.
(3).An entity whose principal products are subject to anti-dumping duties announced and approved by the Ministry of Finance.
(4).An entity significantly affected by the U.S. reciprocal tariff policy during the period from 2025 to 2026.

An entity falling under Subparagraph 1 of the preceding point (Appendix 1) shall submit the following documents to the Ministry when filing an application:
(1).Certification documents issued by the industry competent authority approving the entity’ s establishment, registration, or operation, evidencing that it falls within an industry listed in Appendix 1.
(2).Certification documents relating to the self-determined reduction plan approved by the Ministry.
(3).Other documents designated by the Ministry.

An entity falling under Point 2, Subparagraph 2 shall submit the following documents to the Ministry when filing an application:
(1).Certification documents issued by the industry competent authority approving the entity’ s establishment, registration, or operation.
(2).Certification documents relating to the entity’ s self-determined reduction plan approved by the Ministry.
(3).Information on the gross profit of the legal person to which the entity belongs for the fee collection year.
(4).An explanation of the carbon leakage risk assessment (Appendix 2).
(5).Other documents designated by the Ministry.

An entity falling under Point 2, Subparagraph 3 shall submit the following documents to the Ministry when filing an application:
(1).Certification documents issued by the industry competent authority approving the entity’ s establishment, registration, or operation.
(2).Certification documents relating to the entity’ s self-determined reduction plan approved by the Ministry.
(3).Certification documents evidencing that the entity’ s principal products are subject to anti-dumping duties announced and approved by the Ministry of Finance.
(4).An explanation of the carbon leakage risk assessment (Appendix 2).
(5).Other documents designated by the Ministry.

An entity falling under Point 2, Subparagraph 4 shall submit the

following documents to the Ministry when filing an application:
(1).Certification documents issued by the industry competent authority approving the entity’ s establishment, registration, or operation.
(2).Certification documents relating to the entity’ s self-determined reduction plan approved by the Ministry.
(3).Certification documents issued by the central industry competent authority recognizing the entity as being significantly affected by the U.S. reciprocal tariff policy.
(4).An explanation of the carbon leakage risk assessment (Appendix 2).
(5).Other documents designated by the Ministry.
An entity shall file its application with the Ministry in accordance with Point 3 through Point 6 before January 31 of the payment year. However, where an entity is unable to file the application before the deadline due to natural disasters, epidemics, or any other causes not attributable to the entity, it shall, before the expiration of the time limit, state the reasons in writing, attach the relevant materials, and apply to the Ministry for an extension. Upon approval by the Ministry, the application deadline shall be adjusted accordingly.
Where an entity filed an application for a self-determined reduction plan on or before June 30, 2025, and the plan had not yet been approved by the Ministry as of December 31, 2025, the documents required under Point 3, Subparagraph 2; Point 4, Subparagraph 2; Point 5, Subparagraph 2; and Subparagraph 2 of the preceding point may be substituted by the application letter for the self-determined reduction plan. Such entity shall submit to the Ministry the certification documents relating to its self-determined reduction plan approved by the Ministry before April 30, 2026.
In reviewing and determining an entity's qualification as being at high carbon leakage risk, the Ministry shall convene the central industry competent authorities to form a review team and shall render a decision of approval or rejection within three months. Where necessary, this period may be extended.
Where the Ministry finds, upon review, that the materials submitted under the preceding paragraph are deficient, it shall specify in detail the materials required for correction and notify the entity to make the necessary corrections within a prescribed period. The number of days allowed for correction shall not be counted toward the review period, and the total correction period shall not exceed 60 days. Where the entity fails to make corrections within the prescribed period, or where the corrections still fail to comply with the requirements, the application shall be rejected.
Where the Ministry, upon review, determines that an entity is at high carbon leakage risk, the determination letter shall specify the following matters:
(1).The category under the respective subparagraphs of Point 2 pursuant to which the entity applied.
(2).The applicable emission adjustment coefficient.
(3).The period of applicability of the emission adjustment coefficient.
(4).Other matters.
For an entity at high carbon leakage risk under Point 2, Subparagraph 2, the determination letter shall, in addition to the matters set forth in the preceding paragraph, further state that the Ministry may annul the determination letter where the entity fails, before May 31 of the payment year and in conjunction with the carbon fee declaration process, to submit to the Ministry the financial statements for the preceding fiscal year certified by a certified public accountant, or where the submitted materials, upon calculation, do not meet the qualifying conditions under Point 2, Subparagraph 2.
Under any of the following circumstances, the Ministry may revoke or annul an entity's determination letter for high carbon leakage risk:
(1).The application documents contain falsehoods or misrepresentations.
(2).The approved self-determined reduction plan has been revoked or annulled by the Ministry.

(3)Where the application was filed using the application letter for the self-determined reduction plan pursuant to Point 7, Paragraph 2, the entity fails to provide, within the prescribed time limit, the certification documents relating to the entity's self-determined reduction plan approved by the Ministry.
(4).The entity is unable to continue implementing its self-determined reduction plan owing to suspension of business, closure, dissolution, or other causes.
(5).The entity ceases to be an entity at high carbon leakage risk owing to a change of industry classification, the replacement or expansion of equipment, or changes in manufacturing processes, raw materials, fuels, or products.
(6).The entity no longer meets the qualifying conditions under Point 2.
Where the Ministry revokes or annuls a determination letter pursuant to Paragraph 2 of the preceding point or the preceding paragraph, the Ministry shall order the entity to pay in full the carbon fee payable within 90 days. Where payment is not made in full by the deadline, the matter shall be handled in accordance with Article 60 of the *Climate Change Response Act.*

Files：	Principles for Reviewing Applications by Entities Subject to Carbon Fees to Be Classified as Having High Carbon Leakage Risks.pdf
Attachments：	Appendix 1 — Industries at High Carbon Leakage Risk.pdf Appendix 2 — Explanation of the Carbon Leakage Risk Assessment.pdf