

SL(6)717 – The Greenhouse Gas Emissions Trading Scheme (Amendment) (Extension to Maritime Activities) Order 2026

Background and Purpose

The UK Emissions Trading Scheme (“UK ETS”) was established by the Greenhouse Gas Emissions Trading Scheme Order 2020 (“the principal Order”) as a UK-wide greenhouse gas emissions trading scheme, to encourage cost-effective emissions reductions from the power, industry, and aviation sectors. It was designed jointly by the Governments of Wales, UK, and Scotland, and the Northern Ireland Executive, who also jointly operate the UK ETS as the UK ETS Authority (“the Authority”). It contributes to the UK’s emissions reduction targets and net zero goal, as well as the emissions reduction pathway in Wales.

In November 2024, the Authority consulted on the expansion of the UK ETS to capture emissions from maritime voyages. The final policy decisions were set out in the interim and full Authority Responses to this consultation.

The proposed amendments to be made by the Greenhouse Gas Emissions Trading Scheme (Amendment) (Extension to Maritime Activities) Order 2026 incorporate these into the ETS legislation on a 4-nation basis.

The intention of the amending Order is to require operators of ships undertaking eligible maritime activities to obtain an “emissions monitoring plan” (to document the processes through which the operator will ascertain the emissions associated with the activities of their ships) and, for each scheme year, to monitor, independently verify, and report to the regulator their maritime emissions, and to surrender a level of allowances equivalent to those emissions. This is only applicable to ships of 5,000 gross tonnage and above, and various other exemptions apply, such as for military and law enforcement ships, fish-catching and fish-processing ships, and ferries operating services to Scottish islands and Scottish remote peninsulas. Activities excluded from scope include, but are not limited to: search and rescue, firefighting and the provision of humanitarian aid or assistance.

Procedure

Senedd approval procedure.

The Welsh Ministers have laid a draft of the Regulations before the Senedd. The Welsh Ministers cannot make the Regulations unless the Senedd approves the draft Regulations.



Technical Scrutiny

The following point is identified for reporting under Standing Order 21.2 in respect of this instrument.

1. Standing Order 21.2(ix) – that it is not made or to be made in both English and Welsh

We note that paragraph 2.1 of the Explanatory Memorandum states:

“As the Order in Council will be subject to UK, Scottish and Northern Irish Parliamentary scrutiny, it is not considered reasonably practicable for this instrument to be made or laid bilingually.”

Merits Scrutiny

No points are identified for reporting under Standing Order 21.3 in respect of this instrument.

Welsh Government response

A Welsh Government response is not required.

Legal Advisers

Legislation, Justice and Constitution Committee

27 January 2026

