Brussels has finished the rulebook for proving real emissions at the border

In two August releases, the European Commission published ten guidance documents on CBAM implementation for non-EU producers, then a separate guidance on how verifiers are accredited and emissions data is checked. The verification layer of the border charge is now operational.

WHAT WAS PUBLISHED	Ten implementation guidance documents (14 Aug: four general, six sector-specific), followed by verification and accreditation guidance for verifiers (24 Aug). Verifiers gain CBAM Registry access from **1 September**.
WHY IT MATTERS	Importers can surrender fewer certificates by proving **verified actual emissions** instead of default values, which carry a mark-up designed to penalise unverified supply chains.
THE CLOCK	The definitive regime has run since January; the first declaration and certificate surrender for 2026 imports is due **30 September 2027**.

SO WHAT

Procurement teams sourcing CBAM goods now have a priced incentive to co-invest in supplier measurement and verification. Verified supply-chain data is becoming a tradable cost advantage.

Source: European Commission, DG TAXUD CBAM guidance releases, 14 & 24 Aug 2026; Reg. (EU) 2023/956; Carbon3 analysis

Japan has set out how its national carbon market will trade

METI's emissions-trading subcommittee proposed the initial market design for the GX-ETS in late August, including participation criteria for entities outside the compliance group, ahead of the allowance market opening in autumn 2027.

WHO IS COVERED	Mandatory since April 2026 for companies emitting about **100,000 tCO_2 a year or more**: roughly 300 to 400 entities, around half of national emissions.
CREDIT LINK	Domestic **J-Credits and JCM credits** are eligible for compliance, capped at 10% of an entity's obligation. Verified supply-chain reductions gain a domestic compliance value.
THE CORRIDOR	A price corridor applies from the start: a ceiling of **¥4,300** and floor of **¥1,700** per tonne for FY2026. Power-sector auctioning follows from FY2033.

SO WHAT

The 10% credit window creates domestic compliance demand for verified reduction projects. Suppliers to Japanese compliance entities can now structure insetting projects that feed an actual regulated market.

Source: Carbon Pulse briefing on the METI GX-ETS design proposal, Aug 2026; ICAP GX-ETS factsheet; IETA Japan brief; Carbon3 analysis

Europe's carbon price is grinding higher as free allowances start to shrink

EU allowances closed at 82.87 EUR on 28 August, up 13.5% on a year earlier. The year has been anything but smooth: near 90 EUR in January, down to 68 EUR in March, and back to the low eighties through August.

THE DRIVER	A firmer energy complex and a **shrinking cap**, with industrial free allocation phasing out from this year for CBAM sectors and reaching zero by 2034.
THE OUTLOOK	Analyst polls average around **81 EUR for 2026 and 93 EUR for 2027**; several houses see materially higher levels by 2030 as the surplus tightens.
THE STRUCTURE	A second system for buildings and road-transport fuels (**ETS2**) starts in 2027, extending the price signal well beyond heavy industry.

SO WHAT

Balance sheets that still treat the permit price as a variable cost are mispricing a structural input. Long-dated offtake and insetting contracts are the available hedge before 2027 budgets are set.

Source: TradingEconomics EU carbon permits, 28 Aug 2026; Montel; Reuters analyst poll (Apr 2026); BloombergNEF ETS2 outlook; Carbon3 analysis