

# EY Green Tax Tracker

Keeping pace with sustainability incentives,  
carbon regimes and environmental taxes

**October 2023**



Building a better  
working world

# Sustainability as a driver of tax policy

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As governments make pledges to reduce emissions to address climate change, they develop policies to drive progress toward those pledges. These policies often involve tax.



**Tax incentives** to encourage green behavior and green technology



**Tax costs** to discourage behaviors and technologies that add to greenhouse gas (GHG) emissions

As much of global climate policy sits in global tax codes, it's imperative for tax to be at the table in a company's sustainability discussions. Tax plays a significant part in encouraging and enabling companies to fulfill their climate commitments for achieving net zero and greening up their operations. Governments are also using sustainability tax measures to raise revenue and fund important policy objectives.

# Global sustainability goals

150+

jurisdictions representing almost

90%

of global GHG emissions, have communicated a net-zero target in either domestic law, policy, or high-level political pledge.\*

**Net zero** is the point at which an organization has achieved its science-based target (SBT) to limit global warming to 1.5°C above pre-industrial levels and removed its residual emissions from the atmosphere.

\*Source: zerotracker.net, 22 September 2023.

**The Paris Agreement** is an international treaty on climate change. It was adopted by 196 parties in 2015 and entered into force in 2016. The goal of the agreement is to keep the global average temperature rise this century as close as possible to 1.5°C above preindustrial levels. Emissions need to be reduced by 45% by 2030 and reach net zero by 2050.

**The Glasgow Climate Pact** is a 2021 agreement of 190 countries that reaffirms the goal of limiting global warming to 1.5°C. It asks countries to improve their 2030 national climate targets by the end of 2022, calls for countries to make efforts to reduce the use of coal as a source of fuel and end inefficient fossil fuel subsidies, calls for climate financing for developing countries, calls financial support for adaptation measures and creates a market for units representing emissions reductions that countries can trade.

100+ nations pledge to stop deforestation

100+ nations agree to reduce methane

40+ nations vow to phase out coal and fossil fuels

**Carbon negative** is the result of an organization both reducing its emissions in line with its 1.5°C SBT and investing in nature-based solutions and carbon technologies to remove and offset more carbon than it emits each year.

# Keeping pace with sustainability tax policy

While sustainability goals are shared, the policies established to achieve them vary greatly across the globe. Staying on top of the evolving sustainability tax landscape is critical. Here, EY teams offer a snapshot of sustainability incentives, carbon regimes, environmental taxes and environmental tax exemptions present in **65 jurisdictions, representing over 90% of global GDP**. To learn more about any measure, please consult with your EY engagement team or the jurisdiction contact located at the top of each page.

**2,000+** Sustainability incentives

**3,000+** Environmental taxes and exemptions

**91** Carbon regimes

# 2,000+ Sustainability incentives

Included in the 65 jurisdictions represented in this edition

Sustainability incentives can generally be divided into three categories, those that encourage a **reduction** in natural resource consumption, those that encourage a **switch** to renewable or alternative energy sources, or those that encourage **innovation** of new low-carbon products and manufacturing processes. Many programs are a mix of the three containing multiple elements. Tax credits, grants and loans are frequently used measures.

## 1,300+ Reduce

- Construct or retrofit energy-efficient buildings
- Procure energy-efficient process equipment
- Apply emission reduction technologies

## 900+ Switch

- Alternative fuels
- Renewable energy generation (such as solar, wind, geothermal)
- Qualifying on-site generation

## 220+ Innovate

- Research and development (R&D) credits
- Research funding grants
- Funding rebates for green job training

Source: EY jurisdiction professionals.

# 3,000+ Environmental taxes

Included in the 65 jurisdictions represented in this edition

Governments use environmental taxes as a source of revenue, and also as an instrument of environmental policy. Taxes are imposed on a variety of products, services and processes to encourage or discourage consumption.

Similarly, governments offer exemptions from environmental taxes for certain qualifying products, uses or taxpayers. The Green Tax Tracker includes over **1,100** environmental tax exemptions.

## Water, pollution and effluent charges

- ▶ Consumption taxes
- ▶ Greenhouse gases
- ▶ Discharge fees

## Recycling, waste and landfills

- ▶ Disposal fees
- ▶ Recycling fees

## Electronic waste

- ▶ Disposal fees

## Emissions and air pollution

- ▶ Congestion charge
- ▶ Tax on certain chemicals
- ▶ Emissions fees

## Conventional and alternative fuels

- ▶ Gasoline, coal, natural gas, etc. taxes
- ▶ Aviation taxes

## Energy generation, distribution and consumption

- ▶ Oil, coal, natural gas taxes
- ▶ Electricity fees

## Energy-efficient industrial and manufacturing processes

- ▶ Gasoline, coal, natural gas taxes

## Plastics and packaging taxes

- ▶ Tax on single use plastics

## Others

- ▶ Taxes on other products

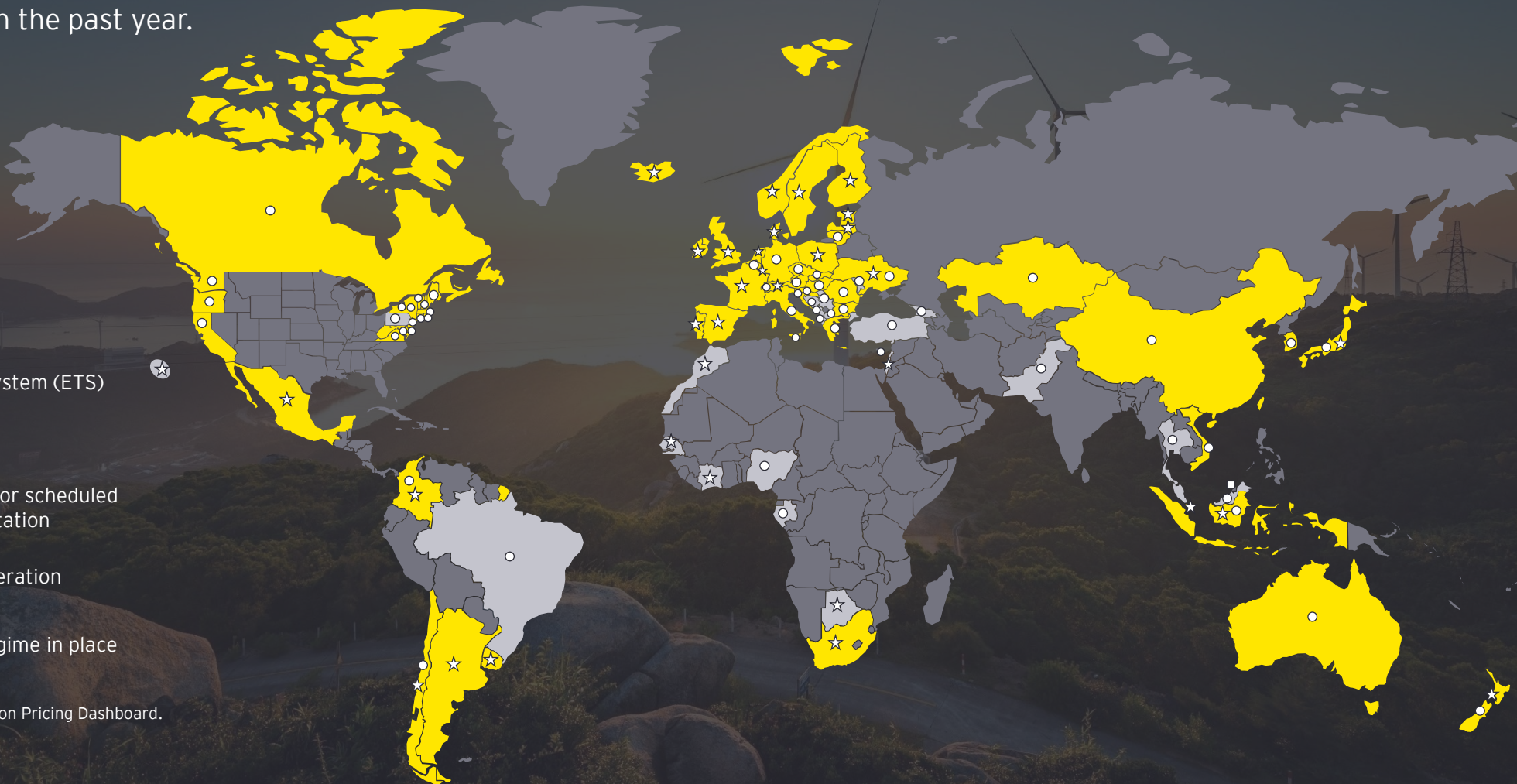
# 91 Carbon pricing initiatives (50 jurisdictional, 36 local)

Implemented carbon pricing initiatives (CPIs) cover **23%** of global emissions and raised **USD 84b** in the past year.

An additional **28** jurisdictions are considering implementing a CPI.

- ★ Carbon tax
- Emissions trading system (ETS)
- Undecided
- Implemented or scheduled for implementation
- Under consideration
- No carbon regime in place

Source: The World Bank, Carbon Pricing Dashboard.



# What is Carbon Border Adjustment Mechanism (CBAM)?

The CBAM is a key enabler in how the EU will achieve its European Green Deal objectives and in meeting the greenhouse gas emissions reductions targets enshrined in the European Climate Law. Under CBAM, businesses importing certain emission-intensive goods into the EU will be required to pay a levy based on the embedded GHG emissions.

## The scope

The scope of products under CBAM are defined by customs tariff codes covering the following categories, downstream products and more. Refer to this [EY Tax Alert](#) for the full list of product categories.

Cement	Aluminum	Iron & Steel
Hydrogen	Fertilizer	Electricity

### October 2023 Transitional reporting period begins

Requires submission of quarterly reports detailing embedded emissions in goods imported during that quarter of the calendar year. Reports include direct and indirect emissions, and any carbon price effectively paid in a third country.

**2025 Importers to apply to authorization as "authorized CBAM declarant"** which is needed from 2026.

### 2026 Financial costs and certificate requirements begins

From 2026, businesses importing products subject to CBAM will have to purchase and surrender CBAM certificates annually, corresponding to the amount of direct GHG emissions embedded in imported products. The price of CBAM certificates will be based on the average of the closing prices of all EU ETS auctions during each calendar week. If actual verified emissions aren't available, it will be based on "default" values. Importers to apply to authorization as "authorized CBAM declarant" which is needed from 2026.

## Why is it important?

- ▶ The CBAM guidelines encourage businesses to consider the implications of the production process and the carbon footprint of their products
- ▶ Importers will be directly impacted by the regulatory and financial burden of complying with the CBAM
- ▶ Stakeholders will need to work diligently to lessen effects of the CBAM by employing verification standards, grasping specifics of quantification techniques for embedded emissions and computing the certificate price
- ▶ Businesses procuring goods in scope of CBAM in the EU may experience further increases of cost prices as importers may expectedly roll off CBAM certificates and compliance costs

## Implications

CBAM will impact businesses in the EU and around the globe operationally and strategically. A holistic approach across the value chain and supply chain is suggested. Initial steps include:

- (i) Assigning responsibility and ownership for CBAM
- (ii) Reviewing the EU import footprint and potential cost and process impacts considering the new proposed scope of CBAM
- (iii) Preparing to comply with the transitional period requirements - including reviewing required data (e.g., on embedded emissions and carbon price at the manufacturing sites), identifying potential gaps, review of contractual positions and gathering information



# 65 Jurisdictions covered

\* New in this edition

[Argentina](#)

[Czech Republic](#)

[Ireland](#)

[Nigeria](#)

[Sri Lanka](#)

[Australia](#)

[Denmark](#)

[Italy](#)

[Norway](#)

[Sweden](#)

[Austria](#)

[Egypt](#) \*

[Japan](#)

[Oman](#) \*

[Switzerland](#)

[Bangladesh](#)

[Ethiopia](#)

[Kenya](#)

[Peru](#)

[Taiwan](#)

[Belgium](#)

[European Union](#)

[Lithuania](#)

[The Philippines](#)

[Thailand](#)

[Botswana](#)

[Finland](#)

[Luxembourg](#)

[Poland](#)

[Türkiye](#)

[Brazil](#)

[France](#)

[Malawi](#)

[Portugal](#)

[Uganda](#)

[Cambodia](#)

[Germany](#)

[Malaysia](#)

[Romania](#)

[United Arab Emirates](#) \*

[Canada](#)

[Ghana](#)

[Malta](#) \*

[Singapore](#)

[United Kingdom](#)

[Chile](#)

[Greece](#)

[Mexico](#)

[Slovakia](#)

[United States](#)

[China Mainland](#)

[Hong Kong](#)

[Namibia](#)

[South Africa](#)

[Venezuela](#)

[Colombia](#)

[India](#)

[The Netherlands](#)

[South Korea](#)

[Vietnam](#)

[Cyprus](#)

[Indonesia](#)

[New Zealand](#)

[Spain](#)

[Zambia](#)

The information offered for each jurisdiction represents the best understanding of EY professionals in that jurisdiction. It is high-level and subject to change. This document is updated on an ongoing basis but not all entries will be up to date at a given moment. In addition, not all jurisdictions are reflected in this document. Please contact your EY engagement team or the listed jurisdiction contact for more information.

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Note: Yellow fill indicates the presence of an item at the jurisdictional or local level, please see the jurisdiction page for more details

	Carbon pricing				Sustainability incentives										Environmental taxes						Environmental tax exemptions																			
	ETS implemented	ETS consider	Carbon tax implemented	Carbon tax consider	Energy efficient buildings	Efficient process equip	Water use reduction	Waste reduction/recycling	Emission reduction	Alt fuel – transportation	Hydrogen-based fuels	On-site generation	Renewable energy generation	Recycled materials/ recycling equip	R&D machinery for green products	Carbon capture technologies	Green jobs/training	Plastics and packaging	Water consumption /pollution charges	Recycling/waste/landfills	Electronic waste	Emissions/air pollution	Conventional/alt fuels	Electricity gen/distribution /consumption	Industrial/manufacturing processes	Plastics and packaging	Water use reduction/ thermal energy production	Waste reduction/recycling	Electronic waste	Emission reduction	Conventional/alt fuel	On-site generation	Renewable energy	Conventional generation	Energy efficiency/industrial manufacturing processes	Plastics and packaging				
Argentina			●		●					●	●	●	●		●						●	●	●	●																
Australia	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●		●									●				
Austria	●		●		●	●	●	●	●		●	●	●	●	●				●	●	●	●	●							●		●								
Bangladesh																		●	●		●					●		●				●			●		●			
Belgium	●				●	●	●	●	●	●	●	●	●	●	●	●			●	●			●	●	●	●	●			●	●	●	●	●	●	●	●	●		
Botswana				●			●										●																							
Brazil	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●				●	●	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	
Cambodia					●	●	●	●	●			●	●	●	●	●																								
Canada	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Chile							●	●						●					●		●	●					●	●	●	●	●	●	●	●	●	●	●	●	●	
China Mainland	●				●		●	●	●	●	●	●	●	●	●	●			●	●	●	●	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●
Colombia			●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●			●	●	●	●	●	●	●	●	●	●	●	●	●
Cyprus							●	●			●	●		●												●														

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Czech Republic	●					●	●	●	●	●	●		●		●				●	●	●	●	●	●	●	●	●			●	●	●	●	●	●			
Denmark	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●		●	●	●	●	●	●
Egypt					●		●	●				●															●											
Ethiopia				●																																		
European Union	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Finland	●	●	●				●	●	●	●	●			●	●				●	●			●			●	●	●	●	●	●	●	●	●	●	●	●	
France	●		●		●	●	●	●	●	●		●							●	●	●	●	●	●	●				●	●			●					
Germany	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Ghana					●			●											●						●													
Greece	●				●		●	●	●	●		●	●	●					●	●	●	●			●		●											
Hong Kong					●	●	●	●	●										●	●		●			●				●									
India					●		●	●	●	●	●	●	●						●			●	●	●										●	●			
Indonesia		●	●				●					●																										

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	ETS implemented	ETS consider	Carbon tax implemented	Carbon tax consider	Energy efficient buildings	Efficient process equip	Water use reduction	Waste reduction/recycling	Emission reduction	Alt fuel – transportation	Hydrogen-based fuels	On-site generation	Renewable energy generation	Recycled materials/ recycling equip	R&D machinery for green products	Carbon capture technologies	Green jobs/training	Plastics and packaging	Water consumption /pollution charges	Recycling/waste/landfills	Electronic waste	Emissions/air pollution	Conventional/alt fuels	Electricity gen/distribution /consumption	Industrial/manufacturing processes	Plastics and packaging	Water use reduction/ thermal energy production	Waste reduction/recycling	Electronic waste	Emission reduction	Conventional/alt fuel	On-site generation	Renewable energy	Conventional generation	Energy efficiency/industrial manufacturing processes	Plastics and packaging				
Ireland	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●		●		●	●	●	●	●	●	●	●	●		
Italy	●				●	●	●	●	●	●	●	●		●	●				●	●	●		●		●	●		●		●	●						●	●		
Japan	●	●	●			●			●			●		●	●	●			●		●	●	●	●	●		●			●			●	●						
Kenya		●										●					●			●					●												●			
Lithuania	●				●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●							●	●	
Luxembourg	●		●		●	●			●	●	●	●		●	●		●				●	●					●					●			●					
Malawi									●																															
Malaysia		●		●	●	●	●	●	●	●	●	●	●						●				●		●															
Malta	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●	●		●			●	●											
Mexico	●		●		●		●	●		●	●	●	●	●	●		●	●				●						●	●											
Namibia															●				●	●	●	●			●															
The Netherlands	●		●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
New Zealand	●						●	●	●				●	●			●	●	●	●	●	●	●																	

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Nigeria		●		●					●		●																												
Norway	●		●							●							●	●	●		●	●	●	●	●	●	●	●		●	●			●		●			
Oman																													●	●									
Peru						●			●	●		●										●		●		●													
The Philippines		●			●	●		●	●	●	●	●		●		●		●	●	●	●						●			●		●			●		●		
Poland	●		●		●	●	●	●	●	●		●		●					●	●	●	●	●	●	●	●	●	●				●				●	●		
Portugal	●		●							●									●	●	●						●								●	●	●		
Romania	●				●	●	●	●	●	●		●							●	●	●						●												
Singapore			●		●	●	●	●	●	●	●	●	●	●	●	●	●	●																					
Slovakia	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●			●	●	●															
South Africa			●			●		●				●			●				●	●	●	●	●	●	●	●	●			●	●		●			●			
South Korea	●						●	●	●	●	●	●		●	●				●	●	●	●	●	●	●		●	●								●			
Spain	●		●							●		●							●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●

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Sri Lanka																																						
Sweden	●					●			●				●						●	●	●			●		●			●	●	●							
Switzerland	●				●	●	●	●	●				●	●				●	●	●	●	●	●			●										●		
Taiwan	●				●	●	●	●	●	●			●			●						●																
Thailand				●	●	●	●	●	●	●	●		●	●			●					●	●					●	●		●	●			●		●	
Türkiye		●			●	●	●	●	●				●	●	●	●			●	●			●				●		●									●
Uganda													●																									
United Arab Emirates																		●	●					●		●												
United Kingdom	●			●	●	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●	●	●	●		●		●	●	●	●		●	●	
United States	●	●		●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●		●	●	●	●			●	
Venezuela																																						
Vietnam	●				●	●		●	●	●			●	●	●			●	●		●	●			●	●		●	●	●	●				●			
Zambia						●		●	●				●					●																				

# Argentina

► Contact: Gustavo Scravaglieri, Ariel Becher

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[Return to jurisdiction list](#)

J = Jurisdictional level; L = Local level

## Overview

Sustainability tax incentives have been in place for over 15 years in Argentina and a national carbon tax was implemented in 2018, but the country's holistic approach to environmental tax policy is still emerging.

The national carbon tax - estimated to cover 20% of the country's greenhouse gas emissions - is the top focus area of environmental tax policy.

Argentina also has several incentive programs to promote technological development, renewable energy and biofuel utilization, wind and solar energy generation, and investment in forestry projects.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Australia's new Labor Federal government has a target of net-zero emissions by 2050 and a 43% reduction over 2005 levels by 2050. These targets will be legislated to increase policy certainty and stability.

Instead of placing a moratorium on new oil and gas projects to reach the targets, the safeguard mechanism will continue to apply to the 215 entities that currently emit more than 100,000 tons of CO<sub>2</sub> a year and a revised mechanism to apply from 2023-24 will require them to reduce aggregate emissions by 5m tons a year to collectively achieve net-zero emissions by 2050.

There is a national excise tax on petrol, diesel and other fuels such as liquefied petroleum gas or ethanol. Additionally, there are multiple state and territory levies, charges and fines on pollution. Initially individual states applied user charges on zero- and low-emission vehicles at purchase, but programs are emerging on the federal level proposing a limited fringe benefits tax exemption and customs duty relief.

Sustainability tax programs continue, including additional clean energy technology incentive measures. There are many targeted sustainability grant funding programs offered by both federal and state governments.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies	●	●
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	●
R&D machinery for manufacturing "green" products	●	●
Carbon capture technologies (sequestration/utilization)	●	●
Green jobs/training	●	●
Plastics and packaging	●	●

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	●
Electronic waste		
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		●
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	●
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		



## Overview

Sustainability tax policies are well established in Austria, for example, the fuel tax can be traced back to the first half of the 20th century. Further sustainability tax programs are expected in the future.

The most significant measures are on a national level, however, there are also measures at a local level. Energy taxes (fuel taxes, electricity tax) have been a focus in recent years.

A new carbon tax, by way of national emission certificate trading, is effective 1 October 2022. National emissions trading will start with a fixed price phase. The initial value for the emission of one ton of carbon dioxide will be €30; this value increases to €32.50 as of 2023, to €45 as of 2024 and to €55 as of 2025. Trading participants placing on the market sources of energy such as mineral oil, fuels, gas or coal will be liable to acquire national emission certificates.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	●
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# Bangladesh

► Contact: Rakesh Saha, Muhammad Abu Hanif

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J = Jurisdictional level; L = Local level

## Overview

Sustainability tax programs are not yet fully established in Bangladesh; however, the national government has taken steps to establish a green tax on polluting industries. There are no sustainability-focused incentives.

As Bangladesh is one of the most vulnerable countries to the impacts of climate change, sustainability tax measures play a crucial role in promoting environmentally sustainable practices and reducing the impact of human activities on the environment.

The government has a strong commitment to promoting environmentally sustainable practices and is actively working on additional measures. The top focus areas are the green tax, waste management and carbon taxes.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

# Belgium

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J = Jurisdictional level; L = Local level

## Overview

Belgium's sustainability tax programs are well-established and wide ranging, including implementation of EU-level environmental legislation and policy. Most measures are at the local level, due to the federal nature of Belgium. Environmental regulation and policy sit with the regions (Brussels Region, Flanders Region, Wallonia Region), which each having their own parliaments and regional waste and environmental agencies.

Belgium has relatively high fuel taxes on consumer fuels and a very high recycling rate, in part due to the early introduction of landfill bans and high landfill taxes and charges. Linked to this, Belgium has a relatively successful extended producer responsibility (EPR) system for both household and industrial packaging. Belgium is often cited as a European leader in terms of recycling and EPR.

There is a political impetus – combined with strong consumer and citizen support – for further or stricter environmental taxes, regulations and policies, going forward.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies		●
Waste reduction/recycling technologies		●
Emission reduction technologies		●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		●
Hydrogen-based fuels		●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		●
R&D machinery for manufacturing "green" products	●	●
Carbon capture technologies (sequestration/utilization)		●
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	●
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Sustainability tax programs in Botswana are still emerging. The government has introduced various incentives for sustainability activities.

Botswana currently has water use reduction projects in place, aiming to reduce water loss during transmission through investments into telemetric monitoring systems.

Additionally, in an attempt to mitigate the use of plastic bags, Botswana has banned the use of bags with less than a stipulated minimum thickness and the government has attempted to introduce a plastic bag levy.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies	●	
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax programs are still emerging in Brazil. However, some general incentives focused on infrastructure and innovation often apply to sustainable projects.

Carbon taxes and an ETS are currently under analysis by the Brazilian government, with no set date for new rules. The government is carrying out a study for economic impact, and ETS simulations with three top Brazil companies. Some states, such as São Paulo and Rio de Janeiro are assessing the possibility of ETS programs on a state level.

The RenovaBio program establishes mandatory goals for the reduction of GHG emissions by avoiding the use of fossil fuels. The system basically allows for the certification of biofuels and creates a decarbonization credit that combines the emissions reduction targets and the live cycle assessment of each biofuel producer.

Significant tax changes have been proposed, including the replacement of taxes: ISS, ICMS, IPI, PIS and COFINS by IBS and CBS. A new "selective tax" has been proposed that will be imposed on the production, marketing or import of goods and services harmful to health or the environment.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration	●	●
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies	●	●
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	●
R&D machinery for manufacturing "green" products	●	●
Carbon capture technologies (sequestration/utilization)	●	●
Green jobs/training	●	●
Plastics and packaging	●	●

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	●
Waste reduction/recycling	●	●
Electronic waste	●	●
Emission reduction	●	●
Conventional and alternative fuel vehicles and equipment	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy (solar, wind, geothermal, etc.)	●	●
Conventional generation	●	●
Energy efficiency, industrial and manufacturing processes	●	●
Plastics and packaging	●	●

# Cambodia

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J = Jurisdictional level; L = Local level

## Overview

Sustainability measures are still emerging in Cambodia. There are currently no carbon taxes, plastics taxes or other green taxes.

There are no specific green incentives, however, investment in environmental management and protection, biodiversity conservation, the circular economy, green energy and technology contributing to climate change adaptation and mitigation may be approved as a Qualified Investment Project (QIP). The current investment incentives for a QIP include import/export duty exemptions, corporate income tax exemptions, special depreciation and R&D deductions.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Canada's sustainability tax programs at both the federal and provincial levels have been in place for several years and continue to evolve. Over time, the two levels have worked together to harmonize the application of environmental regulations including water, air, land and environmental assessment.

In 2016, Canada adopted the Pan-Canadian Framework which focused on pricing carbon pollution, complementary actions to reduce emissions economy-wide, adaptation and climate resilience, and clean technology, innovation and jobs.

There are currently federal sustainability funding programs, federal accelerated depreciation for qualifying clean energy investments and several provincial sustainability programs, most taking the form of grants or rebates.

Canada established a carbon pricing framework in 2018. Flexibility was provided to provinces and territories to establish their own pricing plans with a federal backstop implemented if a local plan did not meet federal standards.

## Carbon pricing

	J	L
ETS implemented	●	●
ETS under consideration		
Carbon tax implemented	●	●
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies		●
Waste reduction/recycling technologies		●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	●
Carbon capture technologies (sequestration/utilization)	●	●
Green jobs/training	●	●
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills		●
Electronic waste		●
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		●
Plastics and packaging		●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		●
Waste reduction/recycling		●
Electronic waste		●
Emission reduction		●
Conventional and alternative fuel vehicles and equipment		●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Chile started a sustainability plan to transition away from coal-fired plants in response to the Paris Agreement in 2015. However, sustainability tax programs are still emerging and are generally promoted at national level. The top focus areas are green taxes on discharged pollution of particulate matter, NO<sub>x</sub>, SO<sub>2</sub> and CO<sub>2</sub> and fuel taxes.

Chile has a strong and legal commitment in achieving the carbon neutrality by 2050 and the government is actively working on additional measures. In June 2022, the Congress approved the Climate Change Act of Chile that seeks to promote climate action by proclaiming the fight against this phenomenon and including carbon neutrality as one of its State policies, establishing a legal commitment in achieving the carbon neutrality by 2050.

There are proposals currently being legislated and expected tax reforms involving corrective taxes are expected to be submitted by the Ministry of Finance by April-June 2023 (i.e., plastic tax, fuel tax changes, increase in green taxes, among others).

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		



# China Mainland

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J = Jurisdictional level; L = Local level

## Overview

China Mainland has long established, but still evolving, sustainability tax programs. At the national level, there are three environmental protection focus areas: pollution reduction, greenhouse gas reduction and resource conservation. There are multiple tax incentives that address the three focus areas and utilize different mechanisms, including reduced corporate income tax rates for certain enterprises or for certain revenue sources, increased VAT refunds or tax exemptions.

For pollution reduction, China Mainland launched the Environmental Protection Tax (EPT), which is levied on the emission of four categories of pollutants, namely gas, water, solid wastes, as well as noises. The EPT was launched in 2018, but in fact replaced the long existing Pollutants Discharge Fee, which was levied on basically the same classes of pollutants.

For greenhouse gas reduction, a carbon emission trading system was recently established and there is discussion regarding a carbon tax to help China Mainland achieve its carbon goals of reaching carbon peak by 2030 and carbon neutrality by 2060.

## Carbon pricing

	J	L
ETS implemented	●	●
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills		●
Electronic waste		●
Emissions and air pollution		●
Conventional and alternative fuels (vehicles and equipment)		●
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	
Electronic waste	●	
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Green tax programs are still emerging in Colombia, with most existing measures occurring at the national level, such as the carbon tax and the plastic bag consumption tax.

In addition to taxes, there are favorable tax benefits for environment friendly investments, such as energy efficiency investments, unconventional sources of energy investments and environmental control investments.

A tax reform bill was enacted in November 2022 that includes a national tax on single-use plastic products used to wrap, pack or package goods, a tax on exports of crude oil and coal and the inclusion of coal within the national carbon tax.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		●
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training	●	
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Currently, the only sustainability tax program in Cyprus is the Tonnage Tax Reduction of up to 30% for each marine vessel which demonstrates proactive measures to reduce its environmental impact.

More sustainability tax programs could emerge as part of the Cyprus Recovery and Resilience Plan. The plan includes several legislative changes which are expected to be enacted by 31 December 2023. The aim is to promote a more efficient use of environmental resources, reduced greenhouse gas emissions and increase the availability of renewable energy.

According to a study completed under EU DG Reform, new green taxes expected for Parliamentary approval include: i) carbon tax on top of excise duty, ii) carbon tax for industries, iii) water pricing, iv) manure tax, v) landfill tax, vi) tourism tax and vii) mandatory "Pay as you throw".

A bill is also subject to Parliamentary approval providing for increased deduction for capital expenditure (incurred between 2023-25) on the improvement of energy efficiency of buildings, renewable energy systems, batteries and electric vehicles.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# Czech Republic

► Contact: Jakub Kašuba

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## Overview

Some sustainability tax measures are well established in the Czech Republic, but new programs are emerging to reflect EU legislation. Most measures are at the national level. Environmental taxes are administered by the Customs Administration. Other fees are collected by organizations founded by the government.

Environmental taxes are focused on gas, coal and electricity, while excise duties are applied to fuels. Taxes are not levied on carbon emissions on the national level except for the participation in the EU ETS.

There are several sustainability incentives available, including subsidies for water conservation, energy conservation and e-mobility (such as electric or hydrogen vehicles and related technology).

Currently, there are no changes in environment tax law expected, except implementation of CBAM is expected according to the schedule set by the EU legislators.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Sustainability tax programs are well established in Denmark and have existed for many years at the national level. There are several incentives that offer grants and rebates for investments in technologies or projects that lead to energy saving, CO<sub>2</sub> reduction or stimulation of the generation of sustainable energy.

The Denmark carbon tax applies to greenhouse gas emissions. The tax covers fossil fuels and waste.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	●
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	●

## Overview

Sustainability measures are still emerging in Egypt. The 'Egypt Vision 2030' is a long-term political, economic and social vision that aligns with the UN Sustainable Development Goals and includes a target to reduce energy sector emissions by 10% by 2030 compared to 2016 levels.

Egypt does not currently any sustainability related taxes. Currently, the focus is on providing tax incentives to projects which promote clean energy and energy sustainability. The government announced certain sustainability orientated initiatives such as a national strategy for promoting green hydrogen production during COP27. In August 2023, the Egyptian Cabinet announced a law to establish a national council for Green Hydrogen and its derivatives with the aim of stimulating direct investments (including direct foreign investments) into the field of green hydrogen.

In May 2023, the Egyptian Cabinet announced a proposed a tax credit of 33% to 50% on profits derived from investments in green energy. However, no further announcements have been made.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability taxes are emerging in Ethiopia.

There are no sustainability incentives or environmental taxes in effect currently and the carbon tax under consideration relates to the transport sector in Addis Ababa only.

However, Ethiopia seems to be combating GHG emissions from the land sectors such as those emissions caused by deforestation and forest degradation.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax programs in the EU are very well established and increasing with the European Green Deal, the EU's plan to make its economy sustainable. Some measures occur at the EU level, but the majority are implemented at the Member State (MS) level and execution may vary in every MS due to different energy mixes and economy structures. Other times, a measure taken on the EU level cascades down and is complemented by a similar measure adopted by the MS(s). For instance, the plastics tax imposed by the EU on the MS will in most EU countries be supplemented by an equivalent tax that they will in turn impose on their domestic manufacturers.

The most significant focus areas are the EU Emissions Trading Scheme (cap-and-trade program) and corresponding Carbon Border Adjustment Mechanism, for which the transitional reporting period begins October 2023 (see page 8). The circular economy and decarbonization incentives are also key focus areas.

The Green Deal Industrial Plan, released February 2023, includes incentives for Europe's net-zero industry and to support the fast transition to climate neutrality. The plan has four main pillars: simplified regulatory environment, funding, skills and trade.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies	●	●
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	●
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	●
Electronic waste	●	
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	●
Waste reduction/recycling	●	●
Electronic waste		
Emission reduction	●	●
Conventional and alternative fuel vehicles and equipment	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	●



## Overview

Sustainability tax programs are well-established in Finland. There are many environmental taxes and fees in place, and changes to current or new excise duties are constantly under public discussion as a tool to achieve Finland's climate change policies. There are also various non-tax incentives and funding schemes such as energy and investment aids available.

All energy and environmental taxes are in part harmonized on an EU level (energy taxation) and/or national in Finland, and measures are both in part harmonized on an EU-level (energy taxation) and are national (e.g., waste tax, tax on beverage containers). There are also various environmental levies implemented on the local level, for example, water drainage charges implemented by municipalities.

Finland is part of the EU ETS. There has been discussion of implementing a national ETS (mainly for fossil fuels used for transportation), but there is not yet any official proposal or valid political decision thereof. In Spring 2023, Finland had parliamentary elections for the next four years and the new government (as well as government's action plan) is currently being formed. At this point there is no official information on if the new government intends to implement some sustainability-related changes in taxation and incentives.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration	●	
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Sustainability tax programs have existed in France, mostly at the national level, since the 1990s, but have expanded in recent years. France passed an important energy and climate law in 2019 that sets ambitious environmental goals such as carbon neutrality by 2050 and a 40% reduction in fossil fuel consumption by 2030 compared to 2012.

The French environmental tax system is a behavior-based tax system, which means that it aims to change the behavior of companies and households by taxing the activities and products deemed to be the most harmful and by exempting the green economy. There are multiple taxes on energy consumption (e.g., TICFE, TICPE, TICGN) and transportation (e.g., Malus auto). Energy taxes also have a significant carbon component.

There are multiple sustainability incentive programs, including income tax credits, accelerated depreciation and alternative funding.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

German sustainability tax programs are well established, mostly at the national level, and more continue to emerge. Sustainability is a political focus in Germany and thus the environment is constantly evolving. There are program adjustments due to technological progress, other environmental needs and EU legislation.

There are multiple sustainability incentives available, including grants or rebates for the purchase of qualifying goods and reduced carbon taxes or taxes on fuels in certain qualifying situations.

There is a national ETS for fuels and several additional fuel and environmental taxes. The new Single-Use Plastics levy must be paid by businesses who place a product in the market for the first time with first payment expected in 2025.

Current government focus areas are carbon pricing, renewable energy and fuel taxes. Future possible developments include a (expanded) packaging levy, a plastic tax and change to EU and national ETS.

In May 2023, Germany's highest administrative court ruled that localities are generally allowed to levy a local tax on disposable packaging in their urban area. It is now possible for localities to introduce plastic taxes, as the city of Tübingen has done.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	●
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		●
Waste reduction/recycling		●
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

No carbon pricing measures are currently in place in Ghana. However, Ghana did introduce an environmental tax on selected plastic sub-groups, where the effective environmental tax on plastic import is less than 10% of the import value, to mitigate the use of plastic.

Additionally, there are sustainability incentives in place in this country, inter alia, for the efficient usage of energy and toward developing emissions reduction technologies.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste	●	
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

There are several green measures applicable in Greece at the national level, however tax sustainability policies are still emerging.

Greece participates in the EU ETS and the EU plastic tax. There are also other national plastic taxes and levies towards a circular economy, aiming to enhance the environmental awareness of both enterprises and consumers in Greece.

There are incentives for the development of e-mobility to encourage a reduction in fuel emissions by switching into more environmentally friendly vehicles, as well as incentives promoting the green transition and digital transformation of small and medium-sized enterprises.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# Hong Kong

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J = Jurisdictional level; L = Local level

## Overview

In February 2023, the HKSAR Government indicated that Hong Kong is making robust efforts to achieve carbon neutrality before 2050 and reduce its carbon emission by 50% before 2035. The Government will examine various means to reduce carbon emissions, including explore different types of zero-carbon energy and decarbonization technology, enhance the energy efficiency of new and existing buildings, introduce more stringent energy efficiency standards, promote zero-carbon vehicles and green transportation, build large-scale waste-to-energy facilities and publicly promote low-carbon lifestyles. The HKSAR Government will also develop green finance to boost investments in reducing carbon emissions and build a low-carbon economy which is more resilient to climate change. The October 2022 launch of Core Climate by the HKEX for trading international voluntary carbon credits signifies a critical step toward a carbon marketplace. The February 2021, "Waste Blueprint for Hong Kong 2035" has two main goals. First, reduce the per capita municipal solid waste disposal rate and raise the recovery rate. Second, move from reliance on landfills by creating waste-to-energy facilities. A Municipal Solid Waste Charging regime will be implemented from 1 April 2024.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

The power to levy tax is in hands of both Center and States in India. Both apply high taxes on non-environmentally friendly sources of energy such as petrol, high-speed diesel, etc., and low taxes on environmentally friendly products such as EVs and ethanol. The government has incentives for use of green products, e.g., electric vehicle and scrapping old vehicles.

India does not have an explicit carbon tax. Under the Energy Conservation (Amendment) Act, 2022, the government notified the 'Carbon Trading Scheme' on 28th June 2023. The objective of this scheme is to reduce or remove or avoid the greenhouse gases emissions from the Indian economy by pricing the greenhouse gases emission through trading of the carbon credit certificates.

Production linked incentives announced by the government for select manufacturing sectors aim to incentivize domestic manufacturing of ACC batteries, solar panels and other qualifying activities. A Production Linked Incentive (PLI) scheme has been proposed to boost domestic manufacturing capabilities of the automobile industry, including electric and hydrogen fuel cell vehicles.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	●
Industrial and manufacturing processes	●	●
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		●
Energy efficiency, industrial and manufacturing processes		●
Plastics and packaging		

# Indonesia

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## Overview

Green policies are still emerging in Indonesia with no measures currently implemented at the jurisdictional or local level, though some investment tax incentives do apply to green investments.

The Indonesian government has stated its intent to introduce a carbon tax. Under Indonesia's Law on Harmonization of Tax Regulation, carbon emissions having a negative impact on the environment will be subject to a minimum carbon tax which the tariff is set at the higher than or equal to the carbon market price per kilogram of carbon dioxide equivalent (CO<sub>2</sub>e). If carbon tax tariff on the carbon market is lower than IDR30.00 (thirty rupiah) per kilogram of CO<sub>2</sub>e, the carbon tax tariff is set at a minimum of IDR30.00 (thirty rupiah) per kilogram of CO<sub>2</sub>e.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		



## Overview

Ireland has a relatively long history of sustainability tax measures, mostly at the national level. Ireland was one of the first countries to introduce a plastic bag tax, which came into effect in 2002 and led to a 90% decrease in the use of plastic bags. A carbon tax was introduced in 2010. There are also several sustainability incentive programs. Measures are continuing to evolve and are steadily increasing in importance.

The Irish government has stated the goal of reducing greenhouse gas emissions by 7% a year from 2021, which equates to a reduction of 51% over the decade (2021–30). There is also a target of meeting 70% of electricity demand by renewables by 2030 and carbon neutrality by 2050. In progress toward these goals, the 2023 budget increased the level of the carbon tax to €48.50, increased the carbon tax target to €100 per ton by 2030 and included additional environmental tax measures.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	

## Overview

Italy has well-established sustainability taxes, programs and incentives with most of the policy decided at the national level. Italy is set to receive 37% of the EU Next Generation program which will assist the country with its green transition. The use of these funds and implementation will be decided at the national level in agreement with the EU. Local jurisdictions retain some control with their own specific requirements, taxable bases and compliance obligations.

There are several national and regional green incentives available to taxpayers, including the "super-bonus" incentive to convert buildings to increase energy efficiency. It is important to note the effective dates of many incentives and green benefits are in flux with some renewed on a yearly basis and others designed as one-off programs.

Other than participation in the EU ETS, there is no carbon pricing regime in Italy. There are multiple fuel taxes, however these taxes were primarily introduced to pay for extraordinary and unexpected costs. A tax on single-use plastic manufactured goods took effect in July 2021. More green taxes and incentives are expected during Italy's green transition.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	●
Electronic waste	●	
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		●
Conventional and alternative fuel vehicles and equipment		●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging	●	

## Overview

Japan announced an ambition to become net zero by 2050, highlighting the goal as one of the government's key policy items. In this context, more carbon-related policy measures – including a more substantial carbon tax – are expected. Japan's sustainability tax programs are still emerging. There are currently sustainability incentives that take the form of tax credits, enhanced depreciation, grants or rebates.

There is a national carbon tax that applies to CO<sub>2</sub> emissions from all fossil fuels and a multitude of fuel taxes. There are two regional ETSs that apply to energy-use related CO<sub>2</sub> emissions from the industry, power and building sectors.

In June 2022, Japan created a Green Transformation (GX) League with 440 companies, which is a framework for companies aiming to introduce an ETS. The GX League launched an experimental voluntary ETS in September 2022 and aims to launch a voluntary ETS after April 2023. In December 2022, GX announced a roadmap for green transformation that proposes the introduction of a carbon levy in 2028. Importers of fossil fuels will be subject to a carbon tax.

## Carbon pricing

	J	L
ETS implemented		●
ETS under consideration	●	
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	●
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		●
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		●
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Sustainability taxes are only emerging in Kenya.

Multiple sustainability incentives are in place, driving development in water use reduction technologies, renewable energy generation and innovating the use of plastics and packaging.

Furthermore, Kenya's environmental taxes cover electronic waste, plastics, and packaging with a tax exemption on certain types of plastics and packaging usage.

The Kenyan government has created governance structures for climate change management with defined roles for national and county (provincial) governments in mainstreaming and implementing climate change actions in the country.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste	●	
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging	●	

# Lithuania

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## Overview

A wide array of sustainability taxes have been in place in Lithuania for some time now, including taxes on pollution, fuels, waste and certain plastics and packaging. Lithuania also participates in the EU ETS.

More initiatives are expected in conjunction with the European Green Deal. Anticipated initiatives are expected to address: the circular economy and climate neutral economy, sustainable and accessible cities, green energy, protection and sustainable use of natural capital, sustainable agricultural, aquaculture and food production systems and society as a partner in the transformation of the European Green Deal.

It is worth noting that the packaging tax applies to more than just plastic in Lithuania, for example, there are separate tariffs for cardboard packaging, wood packaging and others.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging	●	

# Luxembourg

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## Overview

Sustainability incentives are well established in Luxembourg. However, sustainability taxes and exemption policies are still emerging. A National ETS enables emissions rights to be counted and the proper performance of operators' environmental obligations to be monitored. The EU Directive on the reduction of plastic products was implemented on 9 June 2022 into the national legislation. All provisions will be enforceable at the latest on 31 December 2024.

Luxembourg introduced a carbon tax in 2021, that is set at €30 per ton of CO<sub>2</sub> for 2023 and participates in the EU ETS.

Investments in assets purchased or constructed for the purposes of protecting the environment, reducing waste or saving energy may also qualify for a tax credit of 9% up to an investment amount of €150,000 and 4% for investments over that amount. The tax credit is also available under certain conditions and up to a determined amount for the acquisition of passenger cars with zero emissions, functioning exclusively on electricity or on hydrogen fuel cells.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

To date no sustainability taxes have been implemented in Malawi.

However, Malawi does have some limited carbon taxation measures in place that affect motorists based on engine capacity. This is to encourage a switch to alternative fuels.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax policies are still emerging in Malaysia. There are several green incentives available at the national level, taking the form of income tax credits, accelerated depreciation, grants and rebates.

In the 2023 budget, the Malaysian government proposed that the equipment used for Carbon Capture and Storage (CCS) technology by companies undertaking CCS in-house activity or CCS services, will be given a full import duty and sales tax exemption starting from 1 January 2023 until 31 December 2027.

In February 2023, the Malaysian government announced that imposition of the carbon tax is postponed for now. No future implementation date was proposed. The government stated that further studies will be conducted prior to implementation and the tax will align with the government's fuel subsidy policies.

Malaysia launched the nation's first government-backed voluntary carbon exchange, Bursa Carbon Exchange (BCX) on 9 December 2022, with its first auction taking place on 16 March 2023. The BCX is the first Shariah-compliant carbon exchange in the world.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		



## Overview

Malta, as a small island member state of the EU, has no separate carbon pricing regime implemented apart from the EU ETS. The amount of ETS installations is currently limited to electricity generation, as its industry is generally not very carbon intensive. Fossil fuel and electricity costs are still relatively low compared to other EU states due to certain government energy subsidies.

There are many measures and incentives related to the buildings and transport sector as these represent major contributors to Malta's total GHG emissions. While most measures are rolled out on a jurisdictional level, certain measures target specific areas (e.g. the harbor regions). The government also offers several incentives for companies to become more sustainable (resource efficiency) as well as embrace digitalization.

There are several programs for up- and re-skilling of workers. In 2022, Malta introduced a reverse vending scheme for plastic bottles to curb plastic waste and improve recycling. Since 2004 there is a VAT based ECO contribution on some products, which was phased out for certain products as EU rules were transposed in 2017, as well as a tourism eco-tax (per night stay).

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Mexico's sustainability programs have been in place for several years, with a mix of incentives at the national and local level. Most local incentives are based in Mexico City.

Sustainability incentives include a 100% depreciation of machinery and equipment for renewable energy generation; reduction of payroll or property tax subject to the improvement of environmental conditions, such as, solid waste recycling, conservation of water and electric energy and reduction of polluting emissions.

Mexico has two national cap and trade programs. An ETS is scheduled to begin in Mexico in 2023 after two years of a "pilot" phase (20-2021) and one year of "transition" phase (2022). The pilot covers direct CO<sub>2</sub> emissions from entities in the energy and industry sectors generating at least 100,000 tCO<sub>2</sub> per year. Approximately 300 entities are covered by the pilot, corresponding to ~40% of national emissions.

There is also a tax on the carbon content of fossil fuels in effect since January 2014.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		●
Waste reduction/recycling technologies		●
Emission reduction technologies		●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		●
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		●

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		●
Conventional and alternative fuel vehicles and equipment		●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax programs are still emerging in Namibia.

The government states plans to create a carbon budget that will allocate emissions rights and commitments among sectors that are most responsible for GHG emissions.

Namibia has imposed levies on plastic products in an attempt to reduce plastic bag usage.

There are sustainability incentives to innovate carbon capture technologies that aim to manage emissions

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# The Netherlands

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J = Jurisdictional level; L = Local level

## Overview

The Dutch government is committed to an energy supply that is less dependent on other countries, high prices or polluting fuels. To achieve the Dutch Climate Plan target of a 43% emissions reduction compared to 2005, various incentive programs are available for Dutch entrepreneurs who invest in sustainable tech.

Originally, Dutch environmental taxes were primarily focused on energy and fuel consumption. More recently, the government is concentrating on CO<sub>2</sub> reduction and new ways of raising revenues via plastic and carbon taxes. The Dutch Carbon Levy took effect in 2021 and applies to installations subject to the existing EU ETS.

The Dutch government plans to introduce a retroactive law to temporarily cap the market income of electricity producers for the period from 1 December 2022 to 30 June 2023. The general income ceiling will be set at EUR 130 per MWh, calculated on the basis of monthly average prices. An income ceiling of EUR 240 per MWh will be set for electricity generated by biomass. Energy supplied by coal-fired plants will be subject to a flexible price cap. Above this ceiling, 90% of market income must be remitted.

As of 1 July 2023, producers selling food and drinks for takeaway or delivery in disposable plastic cups and containers, must impose a fee on consumers or offer a reusable alternative, for a deposit.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	●
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	●
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	●

# New Zealand

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## Overview

New Zealand has declared a climate emergency and indicated that climate action is a key priority. The “Emissions Reduction Plan” focuses on the development of clear action points for the coming decade, including climate change mitigation strategies.

New Zealand has a national ETS that applies to all non-agricultural sources of emissions. Mandatory reporting of farm-level emissions is expected to begin in Q4 of 2024, with pricing to commence from Q4 of 2025. The Government has also announced upcoming work to allow scientifically validated forms of on-farm sequestration into the ETS. Proceeds raised by the ETS fund many sustainability related initiatives including several grant and rebate programs to support projects that reduce waste and carbon emissions. There are also fuel and waste charges levied, and a commitment to phase out certain single-use plastics by 2025.

New FBT exemptions apply from 1 April 2023 to employer-subsidized public transport, ebikes and scooters and employer contributions to vehicle-share services.

The next general election is in October 2023. Many political parties have announced proposed environmental tax policies. Depending on the results of the election, these proposals may influence environmental taxes in the future.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# Nigeria

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## Overview

Sustainability tax programs are emerging in Nigeria.

This country has already commenced activities toward the establishment of an ETS and the implementation of a carbon tax is also under consideration.

Nigeria has implemented sustainability incentives to reduce emissions and switch to hydrogen-based fuels.

Moreover, companies operating in Nigeria that engage in research and development for the improvement of their processes and products are entitled to a tax relief of an amount equal to 10% of the total profits of the company. Furthermore, the government is funding multiple climate change mitigation initiatives to, inter alia, meet GHG emissions reduction targets.

The country is also striving to reduce short-lived climate pollutants in order to reduce black carbon emissions.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Norway has long established sustainability taxation at the national level. The main focus for several years has been on car emissions, for example, the VAT exemption on electric cars, leading to 64% of new cars purchased in Norway in 2021 being electric. Changes from 2023 have, however, limited the exemption for VAT to values below NOK 500,000.

The recent focus is on carbon emissions related to the petrol industry and implementation of higher carbon taxes. The Norwegian government is actively working on more measures.

While not a member of the EU, Norway participates in the EU ETS and tends to follow the EU trends when it comes to sustainable taxation, often aligning national measures to EU initiatives. The Norwegian government has recently focused on how to cut emissions in transport, agriculture, waste, construction and civil engineering. These sectors are not part of the EU quota system and cutting emissions in the non-quota sector is largely the responsibility of each individual country.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		●

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation	●	●
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging	●	

## Overview

Sustainability tax programs are just emerging in Oman. There are currently no carbon measures or fuel taxes in place but there are a few tax benefits to promote sustainability and reduce emissions.

Oman has committed to reaching net zero emissions in 2050 and reaffirmed this commitment by unveiling the Sultanate's National Net Zero Plan and an ambitious green hydrogen strategy. To fulfill this commitment, Oman has taken several steps towards diversifying its energy resources to achieve energy transition. One of these achievements is the development of the Energy Transition Policy. The policy defines the roadmap to progress, the energy transition strategic objectives and integration with existing energy supply chains in relation to energy transition key drivers, including green hydrogen, carbon capture, utilization and storage, energy efficiency and renewable energy.

Oman is the first country in the Gulf Cooperation Council region to extend a zero rate of VAT on the supply of electronic vehicles (zero emission) and their spare parts. Further, the import of electronic vehicles and their spare parts are exempted from customs duties.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		



## Overview

Sustainability tax programs are still emerging in Peru with most existing measures occurring at the national level.

Currently, the main government focus is promoting the switch to energy produced from renewable sources and reducing the use of single use plastic bags, expanded polystyrene single use containers, and single use plastic wraps, plastic straws and containers.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# The Philippines

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## Overview

Sustainability tax policies are still emerging in the Philippines. There are several green taxes and exemptions available at the national level, taking the form of tax credits, special deductions, duties and fees and other investment tax incentives for green investments.

The Philippines government is currently considering new legislation that would underpin the release of additional tax sustainability mechanisms, including a single-use plastics tax.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training	●	
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Poland has well-established green policies regarding air emissions, packaging, waste, water and wastewater. Other policies and tax measures are emerging, for the most part to implement or respond to EU legislation (e.g., the proposed plastic tax). Most green measures are established at the national level.

There are a variety of incentives available in Poland for green investments, including grants, rebates, tax deductions and loans.

Carbon pricing in Poland is mostly influenced by EU legislation pertaining to the EU ETS. Country-level taxes are focused on energy, air emissions, packaging, waste, water and wastewater.

Since Poland is at the beginning of its transition away from fossil fuels, the tax system remains dynamic to facilitate these changes. Taxes and surcharges also depend on EU legislation. Poland is actively working on additional measures like a plastic tax and Extended Producer Responsibility fees.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	

## Overview

Sustainability tax programs have been increasing in Portugal over the past 10 years with a recent uptick in the number of initiatives. Most measures sit at the national level and are fairly consistent with those applied by other countries in the EU with a focus on carbon mitigation and low-emission initiatives such as support for battery electric vehicles.

There are two different carbon taxes in Portugal, one that generally applies to CO<sub>2</sub> emissions mainly from the industry, building and transport sectors and one on air and sea travel. Portugal also participates in the EU ETS. There are also multiple fuel and environmental taxes.

Portugal has implemented a tax on single-use plastic (or multi-material with plastic) packaging as of 1 July 2022. The tax is levied per package, completely or partially made of plastic (or multi-material with plastic) to be purchased in to-go food regimes.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	●
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging	●	

## Overview

Sustainability tax programs are well established in Romania and continue to develop at the national level. A wide array of green incentives are available and green taxes, including a packaging tax, oil tax and tire tax were implemented many years ago.

New taxes were introduced in 2017 on waste electrical and electronic equipment and portable batteries and accumulators. Additionally, single-use plastic restrictions were recently implemented.

The guarantee-return system (GRS) for certain not reusable primary packaging will enter into force and will be functional starting from 30 November 2023. The deposit will apply to non reusable primary packaging made of glass, plastic or metal, with volumes between 0.1l and 3l inclusive, containing water, juice or alcoholic beverages.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Singapore has traditionally maintained sustainability tax incentives to encourage businesses to embrace sustainability. Singapore's sustainability tax incentives mainly focus on energy efficiency, adoption of technology or solutions for reduction of carbon emissions and the adoption of alternative sources of renewable energies. These incentives are periodically renewed or updated to ensure that Singapore stays on track to meet its environmental sustainability goals in the face of accelerating climate change.

Singapore was one of the first Asian countries to implement an economy-wide carbon tax in 2019. In the 2022 Budget, Singapore committed to raising the carbon tax from \$5 per ton to \$25 per ton in 2024, with a view to reaching up to \$80 per ton by 2030. The proposed increase will take effect in 2023.

The Singapore Green Plan 2030, released in 2021, includes whole-of-government measures to improve public sector emissions targets and new incentives in order to encourage development of Singapore's competencies in food security, energy management and green finance.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Slovakia's sustainability tax programs are mature and well defined. To maintain its presence on the global sustainability stage, the Slovakian Government recently introduced measures to support transitioning to a low carbon economy, including efforts to improve energy efficiency and reduce greenhouse gas emissions.

Slovakia does not currently have a carbon tax system, but the implementation of a carbon tax is under consideration. Slovakia participates in the EU ETS. There are also energy, transport and pollution taxes in effect at the national level.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax programs in South Africa are still emerging and generally take place at the national level, including the carbon tax enacted in 2019.

There are currently sustainability incentives related to reducing energy usage or using renewable energy. These incentives take the form of tax credits, tax deductions, grants or rebates and apply to expenditures for certain technologies, assets or infrastructure. South Africa also offers incentives for electricity generation from clean or green sources.

The South African carbon regime applies an in-country cost to industrial greenhouse gas emissions. The current carbon tax regime is expected to be reviewed and most, if not all, existing allowances may be removed, which will drastically increase this tax (allowances currently allow for up to a 95% reduction). In 2020, the government announced plans to introduce legislation to tax the use of plastic in production.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented	●	
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		



# South Korea

► Contact: Seung Yeop Woo

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## Overview

Sustainability tax programs in South Korea are constantly evolving, with some tax programs (e.g., green savings) recently eliminated and investment-related tax programs revised yearly. Most of the existing green policies are controlled by the central government, including the Korea ETS (K-ETS) launched in 2015.

With an increased focus on carbon mitigation and a commitment to be carbon neutral by 2050, there are ongoing discussions regarding the design and implementation of a carbon tax. Some argue that the existing levies on water and air pollution are too complex to calculate, which could open the door for an economy-wide carbon regime.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Spain has an established, but still developing sustainability tax system without a national carbon tax but with numerous green taxes, fees, exemptions, and incentives. A few measures are implemented at the national level, but carbon taxes and the majority of sustainability taxes and exemptions fall at the local level and thus treatment is not consistent across Spain. Spain does participate in the EU ETS.

There are national tax credits available for investments in certain qualifying areas, including renewable energy sources, land-based means of transportation or to avoid pollution.

Spain has introduced a new plastic packaging tax. The tax is calculated on the weight of the non-recycled plastic material of the non-reusable plastic packages manufactured, intra-EU purchased or imported into Spain.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		●
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills	●	●
Electronic waste		
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	●
Industrial and manufacturing processes	●	●
Plastics and packaging	●	●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	●
Waste reduction/recycling		●
Electronic waste		
Emission reduction	●	●
Conventional and alternative fuel vehicles and equipment		●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		●
Renewable energy (solar, wind, geothermal, etc.)	●	●
Conventional generation	●	●
Energy efficiency, industrial and manufacturing processes	●	●
Plastics and packaging	●	●

## Overview

Sustainability tax measures are still emerging in Sri Lanka and current measures are undertaken at a national level. Sri Lanka does not levy an explicit carbon tax, however, there are implicit measures, namely, fuel excise taxes. Complimentary measures include a focus on the development of renewable energy resources.

Further proposed policies include harnessing underutilized marine resources in a sustainable and regenerative manner, transitioning to renewable energy, agriculture development underpinned by biodiversity and sustainability and waste management. For instance, in accordance with the National Policy of the Government on Renewable Energy Development to obtain 70% of the electricity demand from renewable energy sources by 2030, steps have been taken to expedite obtaining approvals for the development of renewable energy projects with a capacity of 10MW or less by the State Ministry of Solar, Wind and Hydro Power Generation Project Development.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sweden has long-established green policies including various excise taxes and tax reduction or exemption possibilities. Most green measures are established at the national level and the focus is on fossil fuels, waste and the production of sustainable energy.

Excise tax legislation is quite flexible and usually adjusted every calendar year. New excise taxes have been implemented every year since 2017. Several planned excise taxes have not yet been implemented in the Swedish legislation.

Sweden also participates in the EU ETS.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste	●	
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Switzerland has a long history of environmentally focused legislation and new initiatives are also under discussion. The legislative landscape around environmental issues remains firmly in motion and Switzerland remains a frontrunner with its environmental taxes at the federal, cantonal, and municipal level. A revised CO2 law is envisaged to be implemented from 2025.

The EU will introduce a CBAM from October 2023. In a June 2023 report, the Swiss Federal Council examined the consequences of the EU CBAM. Among its conclusions, it recommends not introducing such a mechanism in Switzerland for the time being. However, the Federal Council wishes to adapt the Swiss ETS at the same pace as that of the EU, in order to maintain coordination between both ETS. Environmental topics enjoy a high degree of interest in society and economy in Switzerland, as reflected in popular initiatives past and present. Switzerland has one of the highest carbon prices on heating oil in the world through the CO2 levy.

In June 2023, the Swiss people and the cantons adopted via referendum the "Climate and Innovation Act", which enshrines in federal law the target of reaching net-zero GHG emissions by 2050 and is due to enter into force on 1 January 2025.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills	●	●
Electronic waste	●	
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax policies in Taiwan are still emerging. The Climate Change Response Act was enacted 15 February 2023 in Taiwan. The most critical policy of the Act is to impose a carbon fee on businesses with high carbon emissions both directly and indirectly. At the initial stage, companies with emissions above 25,000 tons will be subject to carbon fee. Relevant implementation regulations such as carbon fee collection mechanism will be promulgated in the later stage. Certain sub-laws under "The Climate Change Response Act" have been announced, which request those regulated industries to annually declare and submit their emission inventories. Besides, the reporting of emission inventories shall be verified by a designated verification agency.

The Taiwan Carbon Solution Exchange (TCX) was established 7 August 2023, which aims to provide carbon consulting and carbon trading services. Currently, TCX only provides carbon consulting services. It is anticipated that domestic carbon trading could commence (as early as the first half of 2024) once the relevant implementation regulations are ready.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Thailand's sustainability tax initiatives are newly emerging. The upcoming mechanisms are anticipated to be introduced at a national level.

The Excise Department plans to impose a carbon tax on the energy, transport and industrial sectors. The Excise department launched a BEV incentive package to promote the manufacturing BEV cars in Thailand and has proposed an excise tax reduction and subsidy for local manufacturer of battery cells.

The Pollution control department has drafted new legislation on electrical and electronic equipment waste.

It is too early to assess any unique parameters underpinning Thailand's sustainability tax measures as the country is firmly in the early stages of policy setting.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

## Overview

Sustainability tax programs in Türkiye are still emerging with new measures mostly introduced at the national level. The government is actively working to introduce more measures to protect the environment and increase resource productivity. In line with these efforts, the Environment Agency of Türkiye was established at the end of 2020.

There are currently national sustainability incentives that take the form of grants, rebates or loans.

There is no carbon tax. Türkiye's most prominent green tax measures are the Environment Contribution Fee and the Recycling Contribution Fee,. The amount of the Recycling Contribution Fee doubled on 1 August 2023 by the President's Decree.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration	●	
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste	●	
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging	●	



## Overview

Uganda has limited sustainability incentives in place. The Ugandan government does however promote the switch to renewable energy.

A fuel excise tax has been implemented.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# United Arab Emirates

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## Overview

Sustainability tax programs are still in their infancy in the UAE, with not many fiscal measures implemented thus far. There are some environmental taxes and fees in place at the emirate level. As Dubai is hosting the UN COP28 later this year, more governmental commitments are expected to be announced.

The UAE has committed to a 2050 net zero target. Domestic measures to mobilize this include the UAE Green Agenda 2030 and 2023 being declared the UAE "Year of Sustainability". The Green Agenda has five objectives: competitive knowledge economy, social development and quality of life, sustainable environment and valued natural resources, clean energy and climate action and green life & sustainable use of resources as well as increasing GDP by 4-5% by 2030. It is foreseeable that fiscal policy will become a driver toward some of these goals.

There are currently no carbon measures, the only existing taxes or fees are on single use plastic bags and waste management. CBAM may motivate policy makers to consider a carbon pricing mechanism, but none has been announced yet.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		●
Recycling, waste and landfills		●
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		●
Industrial and manufacturing processes		
Plastics and packaging		●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

# United Kingdom

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## Overview

Sustainability tax programs are well established in the UK. The UK was a founding member of the EU ETS in 2005, the UK climate change levy caused a behavioural change away from coal-fired power generation and the Industrial Energy Transformation Fund further supports this change. The measures are predominantly national, though some environmental targets differ between England, Wales and Scotland. Scotland has, for example, a more ambitious emission reduction target than the UK.

With the UK's exit from the EU, the UK has introduced its own ETS which has generated a carbon price that is currently slightly above the EU carbon price. Other focus areas include a climate change levy, various fuel duties and other environmental taxes, such as the plastic packaging tax that came into force in 2022.

Green incentives continue to evolve with many new grant or rebate programs available.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration	●	

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies	●	
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)	●	
Green jobs/training	●	
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling	●	
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation	●	
Energy efficiency, industrial and manufacturing processes	●	
Plastics and packaging		

# United States

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J = Jurisdictional level; L = Local level

## Overview

The US has well-established green incentives (both tax and non-tax) for renewable energy, fleet decarbonization and energy-efficiency at both the national and local level. Most regulatory measures have been established at the local level, while the incentives are spread across both national and local levels. Several local jurisdictions have implemented or are considering an ETS or carbon tax; however, the outlook for federal, bipartisan carbon pricing action remains limited.

The top focus areas in US sustainability measures are fleet decarbonization or electrification, corporate tax credits for – clean or renewable energy, advanced manufacturing, fleets, renewable fuels, carbon sequestration, energy investment and storage, fuel taxes, rebate and grant programs, green building incentives.

Enactment of The Inflation Reduction Act includes \$369b in climate – and energy-related provisions that are designed to stimulate and accelerate the build-out of renewable energy, domestic manufacturing for energy technologies, advance the adoption of EV technologies and improve the energy efficiency of buildings and communities. US local jurisdictions are also actively working on expanding green tax incentives and carbon pricing regimes.

## Carbon pricing

	J	L
ETS implemented		●
ETS under consideration		●
Carbon tax implemented		
Carbon tax under consideration		●

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	●
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	●
Water use reduction technologies	●	●
Waste reduction/recycling technologies	●	●
Emission reduction technologies	●	●
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	●
Hydrogen-based fuels	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	●
Renewable energy generation (solar, wind, geothermal, etc.)	●	●
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	●
R&D machinery for manufacturing "green" products	●	●
Carbon capture technologies (sequestration/utilization)	●	●
Green jobs/training	●	●
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills		●
Electronic waste		●
Emissions and air pollution	●	●
Conventional and alternative fuels (vehicles and equipment)	●	●
Energy/electricity generation, distribution and consumption	●	●
Industrial and manufacturing processes	●	●
Plastics and packaging		●

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		●
Electronic waste		
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment	●	●
On-site generation (cogeneration, waste heat, fuel cells, microturbines)	●	
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes	●	●
Plastics and packaging		

## Overview

There are no sustainability tax programs in Venezuela, nor are any under public discussion.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)		
Water use reduction technologies		
Waste reduction/recycling technologies		
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure		
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)		
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging		

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges		
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Sustainability tax programs, mostly at the national level, have been established in Vietnam for a quite long time with a Natural Resources Tax in place since the 2000s and Environmental Protection Tax since 2010s.

However, new measures are still emerging. The Law on Environmental Protection went into force 1 January 2022. Additionally, the Vietnamese government is actively working to implement new measures and is expected to release the detailed guidance on an emission trading system in the near future.

The Vietnamese government also enacted incentives and assistance for business activities related to environmental protection to encourage enterprises to seize opportunities from sustainability, clean energy transition and waste reduction.

## Carbon pricing

	J	L
ETS implemented	●	
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings	●	
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies	●	
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment	●	
R&D machinery for manufacturing "green" products	●	
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	
Recycling, waste and landfills	●	
Electronic waste		
Emissions and air pollution	●	
Conventional and alternative fuels (vehicles and equipment)	●	
Energy/electricity generation, distribution and consumption		
Industrial and manufacturing processes	●	
Plastics and packaging	●	

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production	●	
Waste reduction/recycling	●	
Electronic waste	●	
Emission reduction	●	
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)	●	
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

## Overview

Zambia has yet to develop any sustainability taxes, however, Zambia has imposed a carbon emissions surcharge on all vehicles based on their engine displacement and a motor vehicle surtax as a once-off flat rate tax on imported vehicles.

Zambia currently has multiple sustainability incentives in place. These encourage developments in waste and recycling technology and a switch to hydrogen-based fuels in order to reduce emissions through investments in technologies.

## Carbon pricing

	J	L
ETS implemented		
ETS under consideration		
Carbon tax implemented		
Carbon tax under consideration		

## Sustainability incentives

	J	L
<b>Reduce</b>		
Construction/retrofit of energy-efficient buildings		
Energy efficient process equipment (VFD, refrigeration, furnace, etc.)	●	
Water use reduction technologies		
Waste reduction/recycling technologies	●	
Emission reduction technologies		
<b>Switch</b>		
Alt fuel (EV/LNG/CNG) vehicles/infrastructure	●	
Hydrogen-based fuels		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy generation (solar, wind, geothermal, etc.)	●	
<b>Innovate</b>		
Use of recycled materials/investment in recycling equipment		
R&D machinery for manufacturing "green" products		
Carbon capture technologies (sequestration/utilization)		
Green jobs/training		●
Plastics and packaging	●	

## Environmental taxes

	J	L
Water consumption, pollution and effluent charges	●	●
Recycling, waste and landfills		
Electronic waste		
Emissions and air pollution		
Conventional and alternative fuels (vehicles and equipment)		
Energy/electricity generation, distribution and consumption	●	
Industrial and manufacturing processes		
Plastics and packaging		

## Environmental tax exemptions

	J	L
Water use reduction and thermal energy production		
Waste reduction/recycling		
Electronic waste		
Emission reduction		
Conventional and alternative fuel vehicles and equipment		
On-site generation (cogeneration, waste heat, fuel cells, microturbines)		
Renewable energy (solar, wind, geothermal, etc.)		
Conventional generation		
Energy efficiency, industrial and manufacturing processes		
Plastics and packaging		

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