환경부 보도자료 다시 대한민국! 새로운 국민의 나라

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10th Anniversary of the Introduction of the Emissions Trading System... Leading Greenhouse Gas Reduction Through Market Principles

- Ministry of Environment, Ministry of Economy and Finance, Korea Exchange, and Korea Environment Corporation hold the 10th anniversary commemorative event for the emissions trading system at the Korea Exchange
- Public-private partnership agreement for the introduction of emissions-linked financial products is also signed

The Ministry of Environment (Minister Kim Wansup), together with the Ministry of Economy and Finance, the Korea Exchange, and the Korea Environment Corporation, will hold a ceremony on January 22 in the afternoon at the Korea Exchange Seoul headquarters (located in Yeouido, Seoul) to commemorate the 10th anniversary of the implementation of the greenhouse gas emissions trading system and the market launch.

The greenhouse gas emissions trading system, which began trading on January 12, 2015, sets emission allowances (emission permits) for high-emission companies and allows trading of these permits between companies with surplus and deficit.

This system has established itself as a key means of reducing greenhouse gases in Korea, with 74% of the nation’s greenhouse gas emissions managed through it.

In particular, the volume of emissions trading, which was 5.66 million tons in the early stages of the system in 2015, increased approximately 20 times to 111.24 million tons as of 2024.

This commemorative event, under the theme “The Second Leap of the Emissions Trading System,” will bring together government officials, the National Assembly, and industry representatives to evaluate past achievements and discuss future development plans.

The event will consist of two parts: a commemorative ceremony (Part 1) and a discussion conference (Part 2). It will be broadcast live online via YouTube* from 2 PM on the same day.

* Search for “Ministry of Environment LIVE” or “Korea Exchange YouTube” on YouTube.

During the commemorative ceremony, awards will be presented to individuals and organizations, including business entities eligible for allocation, local governments, and related institutions, that have worked hard in various fields to reduce greenhouse gases and promote the emissions trading market.

In addition, an agreement will be made with relevant institutions* to introduce financial products linked to emission permits to revitalize the emissions trading market. Through this agreement, the Ministry of Environment and other relevant institutions expect to expand the participation of trading entities in the emissions market and establish a foundation for cooperation in introducing various emissions-linked financial products.

* Ministry of Environment, Financial Supervisory Service, Korea Exchange, Korea Financial Investment Association

In Part 2 of the discussion conference, under the theme “Significance of Establishing the Basic Plan for the 4th Commitment Period and Development

Plans for the Emissions Trading System," participants from the government, academia, and industry will present directions for the future of the emissions trading system and engage in a Q&A and discussion session.

Minister of Environment Kim Wansup stated, "We must combine everyone's efforts to simultaneously achieve greenhouse gas reduction and strengthen industrial competitiveness." He added, "Using this commemorative event as an opportunity, we will strive to further advance the emissions trading system so that it can play a key role in Korea's carbon neutrality."

Attachments 1. Introduction to the Greenhouse Gas Emissions Trading System.

Attachment 1	Introduction to the Greenhouse Gas Emissions Trading System

☐ (Concept) The government sets and allocates the total amount of greenhouse gas emission allowances (emission permits) for each company and permits trading between companies with surplus and deficit allowances.

* After going through the first commitment period (2015-2017) and the second commitment period (2018-2020), the current third commitment period (2021-2025) is in progress.

☐ (Grounds) Act on the Allocation and Trading of Greenhouse Gas Emission Permits (enacted November 2012)

☐ (Targets) 69 business types, and 684 business entities (based on preliminary allocation)* → 73.5% of the national greenhouse gas emissions

* Business entities with an annual average greenhouse gas emission of 125,000 tons or more, or those that own a place of business with emissions of 25,000 tons or more

☐ (Allocation) Setting the total emission allowances by applying the proportion of the emissions trading system to the national emissions based on the annual targets of the national greenhouse gas reduction roadmap

* Total emission allowances for the third commitment period: 3.04826 billion tons, with a paid allocation ratio of 10% (41 sectors)

○ Based on past emissions, emission efficiency, etc., emissions permits are preliminarily allocated for the commitment period, with additional allocations for new or expanded facilities during the commitment period*, and allocations canceled for closures*.

* (Additional allocation) New or expanded facilities, compliance with obligations under other laws (such as restricted development), etc.
(Cancellation of allocation) Suspension or closure of facilities, bankruptcy of business entities eligible for allocation and revocation of designation, etc.

□ (Trading) Establishment of a trading system similar to the securities market (operated by the Korea Exchange)

* (Trading volume) 5.66 million tons (2015) → 111.24 million tons (2024), (Trading price) maintaining around KRW 9,000 per ton

ㅇ Participation of market makers (8 companies) and securities firms (21 companies) is allowed, in addition to business entities eligible for allocation (from 2021)

□ (Settlement) Submission (in August) of emission permits corresponding to the confirmed emissions of the previous year (in May)

* A penalty of three times the market price will be imposed for failure to submit emission permits.

ㅇ Supporting industry compliance through mechanisms such as carryover, borrowing, and offsets* to secure flexibility in reduction

* Business entities eligible for allocation can convert greenhouse gas reductions achieved through reduction projects outside their production activities into emission permits (offset credits) and use them (up to a maximum of 5% of total emissions).