

# Parliamentary Bureau – Approval of UK Statutory Instrument

## [Greenhouse Gas Emissions Trading Scheme \(Amendment\) Order 2025 \(SI 2025/Draft\)](#)

1. Under Rule 10.6.5, the Bureau is required to lodge the following motion—

**Jamie Hepburn on behalf of the Parliamentary Bureau:** That the Parliament agrees that the Greenhouse Gas Emissions Trading Scheme (Amendment) Order 2025 (SI 2025/Draft) be approved.

### Purpose

2. The instrument makes changes to permanent cessation policy in the UK Emissions Trading Scheme (the “UK ETS”). The UK ETS is a system of carbon reduction and trading for UK businesses in energy-intensive sectors run by the governments of the United Kingdom. It aims to reduce overall emissions by imposing a cost on them and therefore create an incentive to decarbonise.
3. The UK ETS involves some amount of free allocation of allowances to various businesses as a means of ensuring they are not at a disadvantage when competing with firms in other jurisdictions, and preventing carbon leakage (businesses relocating to jurisdictions with lesser environmental regulations). Many businesses receive free allocations, and a Free Allocation Review has been held in recent years.
4. The permanent cessation policy in the UK ETS applies to operators of installations and participants in the scheme who stop carrying out regulated activities permanently. This policy ensures that operators are no longer required to comply with obligations under the UK ETS once they cease operations, provided certain conditions are met. Currently, the permanent cessation policy means that when there is permanent cessation of some level of activity within a business, operators can benefit from a surplus of free allowances during the year in which the cessation occurred.

### Consideration by committee

5. At its meeting on 14 January 2024 the Net Zero, Energy and Transport Committee agreed to recommend that the Instrument be approved. The Committee’s [report was published on 22 January 2024](#).

### Decision

6. Business Managers are invited to note that the above motion will be lodged.
7. Business Managers should reserve their position if their party intends to speak against or oppose the motion.

Parliamentary Business Team  
January 2025