Consultation response
Nasdaq Stockholm AB

Date: October 19, 2026

Ministry of Climate and Enterprise by email:
kn.remissvar@regeringskansliet.se
kn.kl@regeringskansliet.se

KN2026/01568

Nasdaq response to the consultation on the review of the EU emissions trading system

Nasdaq is a global technology company serving capital markets and other industries. Nasdaq European Markets operate exchanges, a clearing house and central securities depositories as well as providing services related to trading, data reporting, market information. Nasdaq is also active across the carbon-removal value chain through market technology, data services and its majority ownership of Puro.earth, the leading standard, certification and registry platform for durable carbon removals. This experience informs our view of the market conditions needed to mobilise investment, support credible issuance and scale high-integrity carbon dioxide removal (CDR).

We welcome the opportunity to comment on the European Commission's proposal for a review of the EU emissions trading system (EU ETS), COM(2026) 616. The review is a critical component of the Union's climate and industrial framework. Its design will determine whether Europe can establish a credible market for permanent removals, maintain the environmental integrity of the EU ETS and enable timely investment across carbon capture, transport and storage value chains.

Executive position
The Commission's proposal represents a potential step-change for permanent CDR by creating a compliance-linked demand mechanism within the EU ETS. Nasdaq supports this direction, but the final framework should provide greater certainty on scale, timing, funding and the pathway towards market integration. Our principal recommendations are:

- Establish 250 Mt as an explicit procurement target: The proposed volume of permanent removals by 2040 should be a binding target rather than a ceiling, supported by an indicative annual trajectory.
- Create investable demand early: Advance market commitments or long-term offtake agreements should be entered into as early as possible to enable financing, investment decisions and capacity building ahead of 2031.
- Provide certainty on the funding gap: The framework should confirm that any gap between CDR costs and EUA-derived funding will be covered and, ideally, identify the responsible and sufficiently capitalised mechanism.
- Apply robust requirements to international credits: If introduced, international credits should follow the same core principles as the CRCF, including in relation to eligible permanent-removal methodologies, and support credible, high-integrity international supply, including in the Global South.

- Set a pathway towards direct market integration: Commission procurement is appropriate initially, but the longer-term objective should be a market-based model in which regulated entities can procure and surrender eligible permanent-removal units directly.
- Enable limited own use and direct purchases: The Commission's proposed own-use route should be complemented by allowing all ETS operators to meet a limited share of their obligations through eligible domestic permanent-removal units, helping develop a functioning market for permanent CDR.

1. Establish 250 Mt as a binding procurement target
The final Directive should require the Commission to procure 250 Mt of CRCF-certified permanent removals over 2031–2040, subject to robust quality requirements and verified delivery. Treating 250 Mt only as a maximum would weaken the investment signal and leave deployment dependent on future discretionary decisions. An explicit target would give project developers, infrastructure providers, investors and buyers the visibility required to take final investment decisions and build capacity at scale.

The target should be supported by an indicative annual procurement trajectory and regular progress reviews. The trajectory should begin early enough to support projects reaching operation before 2031 and should avoid concentrating purchases late in the period. Any adjustment mechanism should preserve the cumulative 250 Mt objective and be limited to clearly defined circumstances concerning verified supply or environmental integrity.

2. Make the target investable through advance procurement
A volume target will only mobilise investment if it is translated into predictable demand. The Commission should therefore be empowered to launch competitive tenders and enter into advanced market commitments or long-term offtake agreements as early as possible, well ahead of 2031. Early commitments would send a credible demand signal to the CDR market, enable project developers to secure financing and take final investment decisions, and support the timely build-out of removal capacity and shared CO_2 infrastructure. Procurement should provide clear eligibility rules, transparent selection criteria, payment on verified delivery and contract durations aligned with the financing needs of capital-intensive CDR projects.

3. Provide certainty on how any funding gap will be addressed
The proposed funding mechanism relies on forecast or simulated price trajectories for permanent CDR and EU allowances (EUAs). The final framework should clearly confirm that any funding gap arising if these trajectories do not materialise will be covered and ideally specify how and through which instrument this will be done—for example, through the Industrial Decarbonisation Bank or another suitable and sufficiently capitalised EU mechanism. In addition, any funds remaining after the purchase of eligible international credits could be used to help cover a funding gap in the Commission's procurement of permanent CDR. Clear responsibility and a credible funding backstop are essential to eliminate uncertainty over future payment capacity and counterparty support; without them, financing conditions may deteriorate and the large, long-term investment decisions needed to build permanent-removal capacity and shared CO_2 infrastructure may be delayed or prevented.

4. Introduce international credits cautiously and with clear guardrails
If international credits are introduced as proposed, they should follow the same core principles and quality requirements as the CRCF, including in relation to permanent-removal methodologies. Eligible international credits should meet requirements equivalent to the CRCF for quantification, additionality, long-term storage, sustainability, monitoring and liability. International units should also be subject to corresponding adjustments (when applicable), conservative accounting,

independent verification, transparent registry infrastructure and robust safeguards against double counting. Applying equivalent requirements would protect the environmental integrity of the EU ETS and support the development and scaling of high-integrity CDR in the Global South.

5. Transition towards direct, market-based integration
Over time, the EU should develop and introduce a market-based system in which a well-functioning carbon market can supply eligible permanent removals for compliance purposes. During the initial phase of integration, the indirect model based on Commission procurement is deemed appropriate, particularly in light of the funding gap described in section 3, and the need to promptly establish predictable demand while the market scales. The longer-term objective should nevertheless be direct integration, under robust eligibility and integrity requirements, allowing regulated entities to procure and surrender eligible removal credits directly. Greater reliance on transparent price formation, competition and market choice would strengthen market dynamics, improve capital allocation and increase the overall efficiency of the EU's decarbonisation process, in which permanent CDR will be a necessary complement to emissions reductions and sufficient removal capacity must be developed.

The framework for direct integration, including its timing, eligibility rules and compliance treatment, should be specified, decided and made public well before 2040. Providing this visibility before the Commission's purchase mandate expires would give developers, investors and buyers a credible demand signal for the post-2040 market, reduce policy uncertainty and support continued investment in permanent CDR capacity.

6. Enable limited own use and direct purchases of domestic permanent removals
Nasdaq supports the Commission's proposed own-use provision under Article 14, under which an operator that generates permanent carbon removals through the storage of its own biogenic emissions could use those units to meet part of its own ETS compliance obligation.

In addition to the Commission's proposed own-use route, Nasdaq recommends expanding the framework to allow all ETS operators to meet a limited share (e.g. up to 1%) of their obligations through direct purchases of eligible domestic permanent-removal units from suppliers supported by the Innovation Fund or the EU Buyer's Club. This would create a clear commercial incentive to procure permanent CDR, provide an early route towards direct market integration, give operators practical experience in sourcing high-integrity removals and support capacity building among European CDR suppliers. By broadening the buyer base and increasing transaction activity, direct purchases would also support price discovery, liquidity and the development of a functioning market for permanent CDR. The expanded provision should be implemented with clear eligibility, traceability and surrender rules.

The treatment of EUAs displaced by surrendered removal units, and the relationship between operator purchases and the Commission's procurement programme, should also be clearly defined, including whether such purchases are counted within the Commission's procurement volume or made in addition to it. Direct purchases may occur despite a price gap between permanent CDR and EUAs. Operators may also value eligible removals for voluntary climate commitments and leadership on residual emissions, making some willing to pay above the prevailing EUA price. By financing part of the required CDR volume, such purchases could reduce the remaining gap to be covered through Commission procurement or other public funding.

Conclusion
The ETS review can establish a credible pathway for scaling permanent CDR in support of the EU's climate objectives. A binding 250 Mt target, early investable demand, funding certainty, robust

integrity requirements and a defined transition towards direct market integration would provide the long-term signals needed to mobilise capital and build capacity. Commission procurement and progressively broader participation by ETS operators can together support an efficient market for high-integrity permanent removals. International credits should follow the same core principles and quality requirements as the CRCF, including in relation to permanent-removal methodologies.

Nasdaq Stockholm AB

Tomas Thyblad
VP, Carbon Markets

Markus Mild
AVP, Government Relations