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**Abstract**

**Climate Policy and Border Tax Adjustments:  
Some New Wine Mixed with Old Wine in New  
Green Bottles?**

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Current policy discussions are making a very clear connection between domestic climate policies and international trade. In this article, the economic, legal and implementation issues relating to border tax adjustments for climate policies are discussed. The overall conclusion drawn is that the connection between trade and the environment is not new, having been discussed in considerable detail since the early 1990s, and reflected in an extensive economics literature. In addition, the legal aspects of border tax adjustments are not particularly new, although only a WTO ruling on their use in the presence of domestic climate policies will resolve any legal uncertainty about their use. However, there are some new issues concerning the determination and implementation of border tax adjustments for domestic climate policies that do present additional layers of complexity.

Keywords: climate policy, competitiveness, border tax adjustment