



REPUBLIC OF SINGAPORE
GOVERNMENT GAZETTE
ACTS SUPPLEMENT
Published by Authority

NO. 9]

FRIDAY, MARCH 10

[2023

First published in the *Government Gazette*, Electronic Edition, on 7 March 2023 at 5 pm.

The following Act was passed by Parliament on 8 November 2022 and assented to by the President on 24 November 2022:—

REPUBLIC OF SINGAPORE

No. 37 of 2022.

I assent.

(LS)

HALIMAH YACOB,
President.
24 November 2022.

An Act to amend the Carbon Pricing Act 2018.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows:

Short title and commencement

1. This Act is the Carbon Pricing (Amendment) Act 2022 and comes into operation on a date that the Minister appoints by notification in the *Gazette*.

Amendment of section 2

2. In section 2(1) of the Carbon Pricing Act 2018 (called in this Act the principal Act) —

(a) delete the definition of “carbon credit” and substitute —

““carbon credit” means a fixed-price carbon credit or an eligible international carbon credit;”;

(b) in the definition of “carbon price”, delete “carbon credit” and substitute “fixed-price carbon credit”;

(c) after the definition of “electronic transactions service”, insert —

““eligible international carbon credit” has the meaning given by section 33A;”;

(d) after the definition of “first emissions threshold”, insert —

““fixed-price carbon credit” means a carbon credit mentioned in section 26;

“fixed-price carbon credit registry account” or “FPCC registry account” means a registry account for a taxable facility of a registered person that is opened by the Agency in the Fixed-Price Carbon Credits Registry under section 31;”;

(e) after the definition of “greenhouse gas”, insert —

““international carbon credit” means a certificate representing one tonne of GHG emissions reductions or removals measured in tCO₂e, generated from any project or programme outside Singapore;

“international carbon credit registry account” or “ICC registry account” means a registry account for a taxable facility of a registered person that is opened by the Agency in the International Carbon Credits Registry under section 33D;

“Minister” means —

(a) except as provided in paragraph (b), the Minister charged with the responsibility for sustainability and the environment; and

(b) for the purposes of Division 1A of Part 5, the Minister charged with the responsibility for trade and industry;” and

(f) delete the definition of “registry account”.

Amendment of section 7

3. In section 7 of the principal Act —

(a) in subsection (1), delete “whilst the business facility is under the operational control of a person in any year (called in this Part a trigger year), then the person” and substitute “in any year (called in this Part a trigger year), then the person mentioned in subsection (1A)”;

(b) after subsection (1), insert —

“(1A) The person for the purpose of subsection (1) is the person having operational control over the business facility on 31 December of the trigger year.”; and

(c) delete subsection (5) and substitute —

“(5) Without affecting subsection (1), where —

(a) a person (*X*) —

(i) is a registered person of a business facility that is a reportable facility, or both a reportable facility and a taxable facility; or

(ii) is not a registered person of a business facility but had operational control over the business facility on 31 December of a trigger year in relation to the business facility; and

(b) *X* transfers operational control over the business facility to another person (*Y*),

then *Y* must apply to the Agency —

(c) to be registered as a registered person; and

(d) to register the business facility as a reportable facility or as both a reportable facility and a taxable facility (as the case may be), of *Y*.

(6) Subsection (5)(c) does not apply if *Y* is already a registered person.

(7) To avoid doubt, a business facility may be registered as a reportable facility, or both a reportable facility and a taxable facility, of more than one registered person.”.

Amendment of section 8

4. In section 8 of the principal Act —

(a) in subsection (1), delete paragraph (a) and substitute —

“(a) be made —

(i) where section 7(1) applies — no later than 30 June of the year immediately after the trigger year; and

(ii) in the case of an application by *Y* under section 7(5) —

(A) if, in the year immediately before the year of the transfer, the total amount of reckonable GHG emissions from the business facility has a carbon dioxide equivalence that does not attain the second emissions threshold — no later than 30 June of the year immediately after the year of the transfer;

(B) if —

(BA) at the time *X* transfers operational control to *Y*, the business facility is not registered as a taxable facility of *X*; and

(BB) in the year immediately before the year of the transfer, the total amount of reckonable GHG emissions from the business facility has a carbon dioxide equivalence that attains the second emissions threshold (or higher),

no later than the later of the following:

(BC) 30 June of the year of the transfer;

(BD) 30 days after the date of the transfer; and

(C) if, at the time *X* transfers operational control to *Y*, the business facility is registered as a taxable facility of *X* — no later than 30 days after the date of the transfer;” and

(b) delete subsection (4) and substitute —

“(4) A registration under this section is in force as follows:

(a) subject to paragraph (b), starting on 1 January of the year immediately after the trigger year for the registration, until deregistration under section 10;

(b) for a registration pursuant to section 7(5), starting on the date of the transfer of operational control, until deregistration under section 10.”.

Amendment of section 9

5. In section 9 of the principal Act —

(a) in the section heading, after “registered person”, insert “, etc.”;

(b) in subsection (1), after paragraph (a), insert —

“(aa) the registered person has operational control over the business facility but has ceased to operate the business facility and has no intention of resuming its business activity within the next 36 months after such cessation;”;

(c) in subsection (3), after paragraph (a), insert —

“(aa) the registered person has operational control over the business facility but has

ceased to operate the business facility and has no intention of resuming its business activity within the next 36 months after such cessation;” and

(d) after subsection (4), insert —

“(5) The Agency may, on its own volition, deregister any registered person as such, and any business facility registered as a reportable facility or taxable facility of the person as such, if the Agency is satisfied that the person has been wound up or dissolved or has otherwise ceased to exist.”.

Amendment of section 10

6. In section 10(4) of the principal Act, delete “The” and substitute “Except where section 9(5) applies, the”.

Amendment of section 11

7. In section 11 of the principal Act, delete subsections (1) and (2) and substitute —

“(1) Where a registered person has for any part of a year operational control over a business facility that is a reportable facility of the registered person, the registered person must submit to the Agency for the Agency’s approval, an emissions report for that business facility for that year (year *R*).

(2) The emissions report must set out the GHG emissions (other than excluded GHG emissions) of the business facility for the reporting period for year *R*.

(2A) For the purposes of subsection (2), the reporting period for year *R* is the whole or the part of year *R* (as the case may be) for which the business facility is under the operational control of the registered person.

(2B) To avoid doubt, where operational control over a business facility is transferred one or more times in a year, there is for that year a reporting period for the business facility as

a reportable facility of each registered person having operational control over the business facility in that year.

(2C) Where operational control over a business facility is transferred to a person (*Y*) in any year, *Y* may, with the approval of the Agency, treat the reporting period for that year for the business facility as a reportable facility of *Y*, as including the reporting period or reporting periods for that year for the business facility as a reportable facility of one or more persons having operational control over the business facility before *Y* (each *X*) in that year.

(2D) Where the Agency has approved the treatment mentioned in subsection (2C), subsection (1) applies to *Y* instead of *X* in relation to any reporting period treated as the reporting period for the year for the business facility as a reportable facility of *Y*.”.

Amendment of section 13

8. In section 13 of the principal Act, delete subsection (6) and substitute —

“(5A) Where the circumstances described in section 7(5) apply and *X* has a monitoring plan for the business facility as a taxable facility of *X* that is approved by the Agency under this section —

(a) the Agency must provide *Y* with the monitoring plan;
and

(b) the monitoring plan —

(i) is treated for the purposes of subsection (1) as if it had been submitted to the Agency and approved by the Agency as a monitoring plan for the business facility as a taxable facility of *Y*, from and including the date of the transfer of operational control over the business facility from *X* to *Y*; and

(ii) is treated for the purposes of section 15 as if it had been prepared by *Y*.

(5B) Nothing in subsection (5A) prevents the monitoring plan (as on the day immediately before the date of the transfer of operational control) from continuing to be a monitoring plan for the business facility as a taxable facility of *X* for the purpose of *X* complying with any of *X*'s obligations under this section and sections 12, 14 and 15.

(6) Any approval or deemed approval under this section for a monitoring plan for a taxable facility of a registered person ceases to be valid in relation to that registered person with effect from the deregistration of that taxable facility as such.”.

Amendment of section 16

9. In section 16 of the principal Act —

(a) in subsection (1), delete “of a taxable facility of a registered person in a reporting period, as is set out in an emissions report or the part of an emissions report for the reporting period that is verified under section 12 and approved by the Agency, respectively” and substitute “in any year (called in this Act an emissions year) of a business facility that is a taxable facility of any registered person in that year”;

(b) after subsection (1), insert —

“(1A) For the purpose of subsection (1), the total amount of reckonable GHG emissions of the business facility is as set out in the emissions report or the part of the emissions report for the reporting period, or the emissions reports or the parts of the emissions reports for the reporting periods, for that year for the business facility, that is or are verified under section 12 and approved by the Agency.”;

(c) in subsection (2), delete “reporting period” and substitute “emissions year”; and

(d) in subsection (4), delete “at the end of the reporting period in question” and substitute “having operational control over the taxable facility at the end of the reporting period or

(if there is more than one) the last reporting period for the emissions year”.

Amendment of section 17

10. In section 17 of the principal Act —

- (a) in subsection (1), delete “a reporting period” and substitute “an emissions year”;
- (b) in subsection (1)(a)(i), delete “reporting period” and substitute “emissions year”;
- (c) in subsection (2), delete paragraph (a) and substitute —
 - “(a) subject to subsection (3A), by the surrender of fixed-price carbon credits; or”;
- (d) in subsection (2)(b), delete “registry account” and substitute “FPCC registry account”; and
- (e) delete subsection (3) and substitute —

“(3) Subject to subsection (3A), the number of fixed-price carbon credits that must be surrendered under subsection (2)(a) is the number assessed by the Agency to have a total carbon price equal to the amount of tax charged.

(3A) Despite subsections (2)(a) and (3) and subject to section 33B, one eligible international carbon credit may be surrendered in place of one fixed-price carbon credit, in respect of such tax for such emissions year as may be prescribed.

(3B) Where any tax is required to be paid pursuant to a revision of an assessment under section 23 —

- (a) the number of fixed-price carbon credits (at the carbon price applicable to the year in which they are to be purchased for the payment) that must be surrendered under subsection (2)(a) is the number assessed by the Agency to have a total carbon price equal to the amount of the tax, rounded

down to the nearest whole number of such fixed-price carbon credits; and

- (b) subsection (3A) does not apply except in the circumstances and to the extent prescribed.”.

Amendment of section 19

11. In section 19 of the principal Act —

- (a) in subsection (1)(a), delete “carbon credits” and substitute “fixed-price carbon credits, or both fixed-price carbon credits and eligible international carbon credits,”;
- (b) in subsection (2)(a), delete “a registry account” and substitute “an FPCC registry account”;
- (c) in subsection (2), delete “the registry account” and substitute “the FPCC registry account”;
- (d) in subsection (2), delete “carbon credits” and substitute “fixed-price carbon credits”;
- (e) after subsection (2), insert —

“(2A) To avoid doubt, the fixed-price carbon credits refunded under subsection (2) must be at the carbon price applicable for the purchase of fixed-price carbon credits in the year in which the refund is made.

(2B) Where the amount of the refund results in there being a fraction of a fixed-price carbon credit mentioned in subsection (2A), the resulting number of fixed-price carbon credits is to be rounded down to the nearest whole number of such fixed-price carbon credits.

(2C) No claim may be brought against the Government or the Agency for any value represented by the fraction of a fixed-price carbon credit mentioned in subsection (2B).”;

- (f) in subsection (4), delete “carbon credit” (wherever it appears) and substitute “fixed-price carbon credit”; and

(g) in subsection (4), delete “registry account” and substitute “FPCC registry account”.

Amendment of section 20

12. In section 20(1)(d) of the principal Act, delete “carbon credit” and substitute “fixed-price carbon credit”.

New Division 1A of Part 5

13. After section 20 of the principal Act, insert —

“Division 1A — Allowances

Interpretation of this Division

20A.—(1) In this Division —

“allowance”, in relation to a taxable facility that is eligible for an allowance for an emissions year, means the amount by which the total amount of reckonable GHG emissions of the taxable facility in the emissions year may be reduced for the purpose only of determining the amount of the tax chargeable for the emissions year, in accordance with an award of allowances given by the Minister under section 20E;

“public body” and “responsible Minister”, in relation to a public body, have the meanings given by section 2(1) of the Public Sector (Governance) Act 2018.

(2) In this Division, a person is from the public sector if the person is a public officer or an employee of a public body.

Application of this Division

20B. This Division applies in relation to any emissions year in the period from and including 1 January 2024 up to and including such date as the Minister may prescribe under section 20F.

Reduction of reckonable GHG emissions chargeable to tax

20C. Despite section 16(3), where a taxable facility is eligible for any allowance for any emissions year, the amount of the tax

chargeable under section 16(1) for that emissions year is calculated based on the formula $(A - C) \times B$, where —

- (a) A and B have the meanings given by section 16(3)(a) and (b), respectively;
- (b) C is the allowance for the taxable facility for the emissions year; and
- (c) $(A - C)$ is rounded up to the nearest metric tonne.

Taxable facilities eligible for allowances

20D.—(1) A taxable facility of a registered person is eligible for allowances if —

- (a) the registered person is in the business of making exports or making supplies to another person who is in the business of making exports, and the taxable facility is used in connection with that business of the registered person; and
- (b) the Minister determines that that business of the registered person is of sufficient economic or strategic importance to the growth, expansion, development or wellbeing of the Singapore economy, to justify an award of allowances for the taxable facility.

(2) The Minister must notify the registered person of a taxable facility that is eligible for allowances of that fact, and grant the registered person an award of allowances for the taxable facility.

Awards of allowances

20E.—(1) The Minister must, in an award of allowances for any taxable facility, specify —

- (a) the emissions years in respect of which the taxable facility is entitled to allowances; and
- (b) the methodology by which the amount of allowance for each such emissions year is to be calculated.

(2) In devising the methodology for any emissions year, the Minister may —

- (a) adopt or take into consideration any or any combination of the following sub-paragraphs (including any part thereof):
- (i) the whole or any part (with or without modification) of any matter relevant to GHG emissions or intensity, or energy use or efficiency, including any internationally-recognised benchmark;
 - (ii) any other matter that the Minister considers appropriate for the purpose of incentivising the continued reduction in the GHG emissions of the taxable facility; and
- (b) provide for a maximum amount of allowance for any emissions year, determined —
- (i) by prescribing that the tax chargeable for an emissions year (calculated based on the formula $(A - C) \times B$ in section 20C) must not, when divided by A for that emissions year, result in an amount that is less than the amount specified by the Minister in the award for this purpose; or
 - (ii) in any other manner that the Minister considers appropriate to incentivise the continued reduction in GHG emissions of the taxable facility.
- (3) For the purposes of subsection (2), the Minister may devise different methodologies for —
- (a) different taxable facilities;
 - (b) different classes of taxable facilities;
 - (c) different emissions years (including with respect to the same taxable facility); or
 - (d) different circumstances.
- (4) The Minister may at any time, in respect of any emissions year for which a taxable facility is entitled to an allowance under an award of allowances, amend the award of allowances by —

-
-
- (a) modifying the methodology specified for the emissions year; or
 - (b) substituting some other methodology for the emissions year,

in any circumstances that the Minister thinks appropriate, including where the original methodology ceases to be internationally-recognised, or ceases to be valid or applicable, or ceases to have or is reduced in its relevance, in relation to the registered person or the business for which the taxable facility is used.

(5) The modified or substituted methodology must not be applied in respect of any emissions year for which the Agency has made an assessment of tax under Division 2 of Part 5, but may be so applied if the assessment is being revised under section 23.

(6) The Minister must, in respect of each emissions year mentioned in subsection (1)(a), determine the amount of the allowance for that emissions year in accordance with the methodology mentioned in subsection (1)(b) for that emissions year.

Regulations

20F. The Minister may make regulations for any matter that is necessary, required or permitted to be prescribed to give effect to this Division, and the regulations may make different provisions for —

- (a) different persons or business facilities;
- (b) different classes of persons or business facilities;
- (c) different emissions years (including with respect to the same taxable facility); or
- (d) different circumstances.

Assignment of function or power to public body

20G.—(1) The Minister may assign any of his or her functions and powers under this Division to any public body.

(2) Where the public body is not one for which the Minister is the responsible Minister, the Minister must consult the responsible Minister for the public body on the assignment.

(3) An assignment under this section —

- (a) must be made by order in the *Gazette*;
- (b) may be general or limited;
- (c) may be subject to conditions that are consistent with the nature of the assigned function or power;
- (d) may be to 2 or more public bodies at the same time; and
- (e) does not prevent the Minister from carrying out or exercising the assigned function or power.

(4) Upon an assignment being made under this section —

- (a) the public body, when carrying out the function or exercising the power assigned to it, is treated as carrying out a function or exercising a power conferred on the public body under the Act that establishes it; and
- (b) the public body must carry out the function or exercise the power assigned to it in accordance with any directions given by the Minister.

(5) A member of the public body who is not from the public sector must not be involved in the carrying out of a function or the exercise of a power assigned to the public body.

(6) The public body must not delegate a function or power assigned to it, to any of its members, or to any other person, who is not from the public sector.

(7) Without affecting any obligation as to secrecy or other restriction against the disclosure of information imposed by any law or contract —

- (a) a member of the public body who is from the public sector; or
- (b) a person who has been delegated a function or power assigned to the public body,

that receives or obtains any information for the purposes of this Division, must not disclose or provide access to such information to a member of the public body, or any other person, who is not from the public sector.

(8) Subsection (7) does not apply to the following information:

- (a) information the disclosure of which has been approved by the Minister;
- (b) information relating to a person —
 - (i) for which consent for disclosure has been obtained from the person; or
 - (ii) that is already in the possession of the public body;
- (c) information that is publicly available.

(9) The public body may carry out a function or exercise a power assigned to it despite the absence of a quorum at any meeting of the public body because of subsection (5) or (7), and the absence of a quorum does not affect the validity of anything done by the public body at the meeting.

(10) This section does not permit the assignment of —

- (a) any power to make subsidiary legislation; and
- (b) the power of assignment in this section.”.

Amendment of section 21

14. In section 21 of the principal Act —

- (a) in subsection (1), delete “a verified emissions report for a taxable facility of a registered person for a reporting period” and substitute “a verified emissions report for a reporting period, or the verified emissions reports for the reporting periods, for an emissions year for a taxable facility”;
- (b) in subsection (1)(a), delete “reporting period” and substitute “emissions year”;
- (c) delete subsections (2) and (3) and substitute —

“(2) Where the Agency is of the opinion that a registered person is liable to pay the tax for an emissions year and —

(a) any verified emissions report for a reporting period for the emissions year has not been submitted for the Agency’s approval as required by section 11(1); or

(b) any such verified emissions report submitted is incomplete or inaccurate such that, or for any other reason, the Agency is unable to approve the same before 15 August of the year immediately following the emissions year,

the Agency may, to the best of the Agency’s judgment, assess the matters in subsection (1).

(3) In making an assessment under subsection (2), the Agency may have regard to any verified emissions report (whether or not approved by the Agency) previously submitted to the Agency for the business facility to which the tax relates, and if there is no such verified emissions report, the Agency may have regard to —

-
-
- (a) emissions reports submitted for the business facility as a reportable facility;
 - (b) energy use reports submitted under the Energy Conservation Act 2012 for the business facility; or
 - (c) any other document which may assist the Agency in determining or estimating the total amount of reckonable GHG emissions of the business facility as a taxable facility for the emissions year in question.”;
- (d) in subsection (4), delete “the registered person under” and substitute “any registered person under”; and
- (e) in subsection (5), after “the registered person”, insert “liable to pay the tax”.

Amendment of section 22

15. In section 22 of the principal Act —

- (a) in subsection (1), delete “each reporting period after the most recent reporting period for which the Agency has issued an assessment” and substitute “any emissions year for which the Agency has not issued an assessment”; and
 - (b) after subsection (2), insert —
 - “(3) Where, in relation to a business facility that is a taxable facility, no verified emissions report for the business facility as a taxable facility is available for the purpose of subsection (2), the Agency may have regard to —
- (a) emissions reports submitted for the business facility as a reportable facility;
 - (b) energy use reports submitted under the Energy Conservation Act 2012 for the business facility; or
 - (c) any other document which may assist the Agency in determining or estimating the

total amount of reckonable GHG emissions of the business facility as a taxable facility for the emissions year in question.”.

Amendment of section 23

16. In section 23 of the principal Act, after subsection (1), insert —

“(1A) Despite subsection (1)(b), a registered person may not raise any objection to an assessment in respect of any amount of allowance (as defined in section 20A) included in the notice of assessment for the registered person.”.

Deletion and substitution of section 24

17. In the principal Act, delete section 24 and substitute —

“Waiver of small assessments

24. Where it appears to the Agency that the amount of any tax or additional tax for any emissions year in relation to a taxable facility does not exceed an amount that is 5 times the carbon price applicable for the purchase of fixed-price carbon credits in the year immediately after the emissions year, or any higher amount as may be prescribed in substitution, the Agency may waive the assessment of such tax.”.

Deletion and substitution of Division heading in Part 5

18. In the principal Act, after section 25, delete the Division heading and substitute —

“Division 3 — Fixed-price carbon credits”.

Amendment of section 26

19. In section 26 of the principal Act —

(a) delete the section heading and substitute —

“Fixed-price carbon credits”; and

(b) in subsections (1) and (2), delete “carbon credit” and substitute “fixed-price carbon credit”.

Amendment of section 27

- 20.** In section 27 of the principal Act —
- (a) in the section heading, delete “carbon credits” and substitute “fixed-price carbon credits”;
 - (b) in subsections (1) and (2), delete “the registry account” and substitute “the FPCC registry account”;
 - (c) in subsection (1), delete “carbon credits” and substitute “fixed-price carbon credits”;
 - (d) in subsection (1), delete “that registry account” and substitute “that FPCC registry account”;
 - (e) in subsection (2), delete “carbon credit” and substitute “fixed-price carbon credit”; and
 - (f) in subsection (2), delete “a registry account” and substitute “an FPCC registry account”.

Amendment of section 28

- 21.** In section 28 of the principal Act —
- (a) in the section heading, delete “carbon credits” and substitute “fixed-price carbon credits”;
 - (b) in subsections (1) and (2), delete “carbon credits” and substitute “fixed-price carbon credits”;
 - (c) in subsections (1) and (2), delete “registry account” and substitute “FPCC registry account”; and
 - (d) in subsection (2), delete “carbon credit” (wherever it appears) and substitute “fixed-price carbon credit”.

Amendment of section 29

- 22.** In section 29 of the principal Act —
- (a) in the section heading, delete “carbon credits” and substitute “fixed-price carbon credits”;

- (b) in subsections (1), (2) and (3), delete “carbon credit” (wherever it appears) and substitute “fixed-price carbon credit”;
- (c) in subsections (1), (2) and (3)(a), delete “the registry account” (wherever it appears) and substitute “the FPCC registry account”; and
- (d) in subsection (2), delete “a registry account” and substitute “an FPCC registry account”.

Amendment of section 30

23. In section 30 of the principal Act —

- (a) in the section heading, delete “carbon credits” and substitute “fixed-price carbon credits”; and
- (b) delete “carbon credit” and substitute “fixed-price carbon credit”.

Deletion and substitution of Division heading in Part 5

24. In the principal Act, after section 30, delete the Division heading and substitute —

“Division 4 — Fixed-Price Carbon Credits Registry”.

Amendment of section 31

25. In section 31 of the principal Act —

- (a) in the section heading, delete “registry account” and substitute “fixed-price carbon credit registry account”; and
- (b) delete “the Carbon Credits Registry” and substitute “the Fixed-Price Carbon Credits Registry”.

New section 31A

26. After section 31 of the principal Act, insert —

“Conversion of fixed-price carbon credits upon change in carbon price

31A.—(1) Where in any year (year X) —

- (a) a registered person has in its FPCC registry account any fixed-price carbon credits purchased at the carbon price for year $X-1$; and
- (b) the carbon price for year X differs from the carbon price for the year $X-1$,

the Agency must convert the fixed-price carbon credits purchased at the carbon price for year $X-1$ into such number of fixed-price carbon credits as if they had been purchased in year X , by applying the formula

$$R \times \frac{S}{T},$$

where —

- (c) R is the number of fixed-price carbon credits in the account that were purchased at the carbon price for year $X-1$;
- (d) S is the carbon price for the purchase of fixed-price carbon credits in year $X-1$; and
- (e) T is the carbon price for the purchase of fixed-price carbon credits in year X .

(2) Where the adjustment under subsection (1) results in there being a fraction of a fixed-price carbon credit, the resulting number of fixed-price carbon credits is to be rounded down to the nearest whole number of such fixed-price carbon credits.

(3) No claim may be brought against the Government or the Agency for any value represented by the fraction of a fixed-price carbon credit mentioned in subsection (2).”.

Amendment of section 32

27. In section 32 of the principal Act —

- (a) in the section heading, delete “registry account” and substitute “fixed-price carbon credit registry account”;
- (b) in subsections (1) and (2), delete “a registry account” and substitute “an FPCC registry account”;
- (c) in subsection (1)(d), delete “carbon credit” and substitute “fixed-price carbon credit”;
- (d) in subsection (2)(a) and (b), delete “carbon credits” and substitute “fixed-price carbon credits”; and
- (e) in subsection (2)(b), delete “registry account” and substitute “FPCC registry account”.

Amendment of section 33

28. In section 33 of the principal Act —

- (a) in the section heading, delete “registry account” and substitute “fixed-price carbon credit registry account”;
- (b) in subsection (1), delete “a registry account” and substitute “an FPCC registry account”;
- (c) in subsections (2), (3)(a), (4), (5), (6) and (7), delete “registry account” (wherever it appears) and substitute “FPCC registry account”; and
- (d) in subsection (6)(a) and (b), delete “carbon credit” and substitute “fixed-price carbon credit”.

New Divisions 5 and 6 of Part 5

29. After section 33 of the principal Act, insert —

“Division 5 — International carbon credits

Eligible international carbon credit

33A. An eligible international carbon credit is an international carbon credit that —

- (a) meets the prescribed criteria; and

- (b) is accepted as an eligible international carbon credit by the Agency in accordance with any direction of the Minister.

Surrender of eligible international carbon credits

33B.—(1) For the purpose of section 17(3A), the total number of eligible international carbon credits surrendered must not exceed the prescribed limit.

(2) Despite subsection (1), the Minister may permit eligible international carbon credits to be surrendered in excess of the prescribed limit in any particular case or class of cases.

(3) Where an eligible international carbon credit is surrendered in place of a fixed-price carbon credit for the purpose of paying any tax in relation to a taxable facility, the registered person of the taxable facility is treated as having paid the tax to the extent of the carbon price of the fixed-price carbon credit that the eligible international carbon credit has been surrendered in place of.

No refunds, etc., on excess eligible international carbon credit surrendered

33C. Where eligible international carbon credits are surrendered in excess of the prescribed limit under section 33B in connection with the tax chargeable on the reckonable GHG emissions of a taxable facility for any emissions year —

- (a) the number of eligible international carbon credits surrendered in excess of the prescribed limit are not treated as surrendered for the purpose of paying the tax for that emissions year, and may not be treated as having been surrendered for the purpose of paying any tax for any prior or subsequent emissions year; and
- (b) no claim may be brought against the Government or the Agency for any value represented by the number

of eligible international carbon credits surrendered in excess of the prescribed limit.

Division 6 — International Carbon Credits Registry

ICC Registry and ICC registry accounts

33D. The Agency may establish, maintain and manage an International Carbon Credits Registry, and open and close ICC registry accounts for registered persons in such registry for purposes connected with the surrender of eligible international carbon credits in place of fixed-price carbon credits in connection with the payment of any tax under this Act.”.

Amendment of section 34

30. In section 34(1)(c) of the principal Act, delete “carbon credit into the registered person’s registry account” and substitute “fixed-price carbon credit into the registered person’s FPCC registry account”.

Amendment of section 37

31. In section 37(2) of the principal Act, delete “\$500 in the amount of tax charged” and substitute “ $250 \text{ tCO}_2\text{e} \times R$ in the amount of tax charged, where R is the carbon tax rate used to determine the tax chargeable for the emissions year in question”.

Amendment of section 41

32. In section 41 of the principal Act —

(a) in subsection (1), delete paragraph (d) and substitute —

“(d) FPCC registry accounts in the Fixed-Price Carbon Credits Registry;

(e) ICC registry accounts in the International Carbon Credits Registry.”;

(b) in subsection (2), delete “register of registry accounts for each registry account” and substitute “register of FPCC registry accounts for each FPCC registry account”;

-
-
- (c) in subsection (2)(a), (b) and (d), delete “registry account” and substitute “FPCC registry account”;
 - (d) in subsection (2)(b), (c) and (d), delete “carbon credits” and substitute “fixed-price carbon credits”;
 - (e) after subsection (2), insert —
 - “(2A) Without affecting subsection (1), the Agency must enter the following particulars into the register of ICC registry accounts for each ICC registry account:
 - (a) the taxable facility and registered person to which the ICC registry account relates;
 - (b) the number and details of the eligible international carbon credits surrendered in connection with the payment of any tax in relation to the taxable facility;
 - (c) such other information as may be prescribed.”; and
 - (f) in subsection (4), delete “a registry account” and substitute “an FPCC registry account”.

Amendment of section 42

33. In section 42(1) of the principal Act, delete “or registry account” and substitute “, FPCC registry account or ICC registry account”.

Amendment of section 44

34. In section 44(1) of the principal Act, delete “taxable facility or registry account” and substitute “a taxable facility, an FPCC registry account or an ICC registry account”.

Amendment of section 56

35. In section 56 of the principal Act —

- (a) in subsection (3), delete “to one or both of the following:” and substitute “to —”;

- (b) in subsection (3), delete paragraphs (a) and (b) and substitute —
- “(a) a fine of an amount equal to double the tax undercharged as a result of the inaccurate verified emissions report or incorrect information; and
 - (b) a further fine of an amount not exceeding \$5,000 or to imprisonment for a term not exceeding 3 years or to both.”;
- (c) in subsection (4), delete “to one or both of the following:” and substitute “to —”;
- (d) in subsection (4), delete paragraphs (a) and (b) and substitute —
- “(a) a fine of an amount equal to triple the tax undercharged as a result of the inaccurate verified emissions report or incorrect information; and
 - (b) a further fine of an amount not exceeding \$10,000 or to imprisonment for a term not exceeding 3 years or to both.”;
- (e) in subsection (5), delete “to one or both of the following:” and substitute “to —”; and
- (f) in subsection (5), delete paragraphs (c) and (d) and substitute —
- “(c) a fine of an amount equal to quadruple the tax undercharged as a result of the inaccurate verified emissions report or incorrect information; and
 - (d) a further fine of an amount not exceeding \$50,000 or to imprisonment for a term not exceeding 5 years or to both.”.

Amendment of section 74

36. In section 74(a) and (b) of the principal Act, after “Act”, insert “, wholly or to any extent”.

Amendment of section 75

37. In section 75 of the principal Act, after subsection (2), insert —

“(3) The Agency may grant the extension of time under subsection (2) after the time sought to be extended has expired, but only if the application by the person was made to the Agency before the expiry of the time sought to be extended.

(4) Where subsection (3) applies, the Agency must extend the time to a date after the date of the decision of the Agency on the application and, to avoid doubt, time is treated as extended so long as the Agency has not made its decision.

(5) The Agency may grant one or more extensions of time under and in accordance with this section.”.

Amendment of section 76

38. In section 76(1) of the principal Act, after “this Act”, insert “(other than Division 1A of Part 5)”.

Deletion and substitution of First Schedule

39. In the principal Act, delete the First Schedule and substitute —

“FIRST SCHEDULE

Sections 2(1) and 73(1)

GREENHOUSE GASES AND GLOBAL WARMING POTENTIAL

<i>First column</i>	<i>Second column</i>	<i>Third column</i>
<i>Greenhouse gas</i>	<i>Chemical formula of greenhouse gas</i>	<i>Global warming potential</i>
1. Carbon dioxide	CO ₂	1
2. Methane	CH ₄	28
3. Nitrous oxide	N ₂ O	265

4. Nitrogen trifluoride	NF ₃	16,100
5. Sulphur hexafluoride	SF ₆	23,500
6. The following hydrofluorocarbons (HFCs):		
(a) HFC-23	CHF ₃	12,400
(b) HFC-32	CH ₂ F ₂	677
(c) HFC-41	CH ₃ F	116
(d) HFC-125	CHF ₂ CF ₃	3,170
(e) HFC-134	CHF ₂ CHF ₂	1,120
(f) HFC-134a	CH ₂ FCF ₃	1,300
(g) HFC-143	CH ₂ FCHF ₂	328
(h) HFC-143a	CH ₃ CF ₃	4,800
(i) HFC-152	CH ₂ FCH ₂ F	16
(j) HFC-152a	CH ₃ CHF ₂	138
(k) HFC-161	CH ₃ CH ₂ F	4
(l) HFC-227ca	CF ₃ CF ₂ CHF ₂	2,640
(m) HFC-227ea	CF ₃ CHF ₂ CF ₃	3,350
(n) HFC-236cb	CH ₂ FCF ₂ CF ₃	1,210
(o) HFC-236ea	CHF ₂ CHF ₂ CF ₃	1,330
(p) HFC-236fa	CF ₃ CH ₂ CF ₃	8,060
(q) HFC-245ca	CH ₂ FCF ₂ CHF ₂	716
(r) HFC-245cb	CF ₃ CF ₂ CH ₃	4,620
(s) HFC-245ea	CHF ₂ CHFCHF ₂	235
(t) HFC-245eb	CH ₂ FCHF ₂ CF ₃	290
(u) HFC-245fa	CHF ₂ CH ₂ CF ₃	858
(v) HFC-263fb	CH ₃ CH ₂ CF ₃	76
(w) HFC-272ca	CH ₃ CF ₂ CH ₃	144
(x) HFC-329p	CHF ₂ CF ₂ CF ₂ CF ₃	2,360
(y) HFC-365mfc	CH ₃ CF ₂ CH ₂ CF ₃	804
(z) HFC-43-10mee	CF ₃ CHFCHF ₂ CF ₃	1,650

(za) HFC-1132a	$\text{CH}_2=\text{CF}_2$	1
(zb) HFC-1141	$\text{CH}_2=\text{CHF}$	1
(zc) (Z)-HFC-1225ye	$\text{CF}_3\text{CF}=\text{CHF}(\text{Z})$	1
(zd) (E)-HFC-1225ye	$\text{CF}_3\text{CF}=\text{CHF}(\text{E})$	1
(ze) (Z)-HFC-1234ze	$\text{CF}_3\text{CH}=\text{CHF}(\text{Z})$	1
(zf) HFC-1234yf	$\text{CF}_3\text{CF}=\text{CH}_2$	1
(zg) (E)-HFC-1234ze	trans- $\text{CF}_3\text{CH}=\text{CHF}$	1
(zh) (Z)-HFC-1336	$\text{CF}_3\text{CH}=\text{CHCF}_3(\text{Z})$	2
(zi) HFC-1243zf	$\text{CF}_3\text{CH}=\text{CH}_2$	1
(zj) HFC-1345zfc	$\text{C}_2\text{F}_5\text{CH}=\text{CH}_2$	1
(zk) 3,3,4,4,5,5,6,6,6- Nonafluorohex-1-ene	$\text{C}_4\text{F}_9\text{CH}=\text{CH}_2$	1
(zl) 3,3,4,4,5,5,6,6,7,7,8,8, 8-Tridecafluorooct- 1-ene	$\text{C}_6\text{F}_{13}\text{CH}=\text{CH}_2$	1
(zm) 3,3,4,4,5,5,6,6,7,7, 8,8,9,9,10,10,10- Heptafluorodec- 1-ene	$\text{C}_8\text{F}_{17}\text{CH}=\text{CH}_2$	1

7. The following
perfluorocarbons (PFCs):

(a) PFC-14	CF_4	6,630
(b) PFC-116	C_2F_6	11,100
(c) PFC-c216	c- C_3F_6	9,200
(d) PFC-218	C_3F_8	8,900
(e) PFC-318	c- C_4F_8	9,540
(f) PFC-31-10	C_4F_{10}	9,200
(g) Perfluorocyclopentene	c- C_5F_8	2
(h) PFC-41-12	n- C_5F_{12}	8,550
(i) PFC-51-14	n- C_6F_{14}	7,910
(j) PFC-61-16	n- C_7F_{16}	7,820
(k) PFC-71-18	C_8F_{18}	7,620

(l) PFC-91-18	$C_{10}F_{18}$	7,190
(m) Perfluorodecalin (cis)	$Z-C_{10}F_{18}$	7,240
(n) Perfluorodecalin (trans)	$E-C_{10}F_{18}$	6,290
(o) PFC-1114	$CF_2=CF_2$	1
(p) PFC-1216	$CF_3CF=CF_2$	1
(q) Perfluorobuta-1, 3-diene	$CF_2=CFCF=CF_2$	1
(r) Perfluorobut-1-ene	$CF_3CF_2CF=CF_2$	1
(s) Perfluorobut-2-ene	$CF_3CF=CFCF_3$	2”.

Amendment of Second Schedule

40. In the Second Schedule to the principal Act, in Part 2 —

- (a) delete item 1;
 (b) after item 4, insert —

“4A. The following hydrofluorocarbons: Emitted in any circumstances.

(a) HFC-227ca ($CF_3CF_2CHF_2$)

(b) HFC-245cb ($CF_3CF_2CH_3$)

(c) HFC-245ea ($CHF_2CHFCHF_2$)

(d) HFC-245eb ($CH_2FCHF_2CF_3$)

(e) HFC-263fb ($CH_3CH_2CF_3$)

(f) HFC-272ca ($CH_3CF_2CH_3$)

(g) HFC-329p
($CHF_2CF_2CF_2CF_3$)

(h) HFC-1132a ($CH_2=CF_2$)

(i) HFC-1141 ($CH_2=CHF$)

(j) (Z)-HFC-1225ye
($CF_3CF=CHF(Z)$)

(k) (E)-HFC-1225ye
($CF_3CF=CHF(E)$)

- (l) (Z)-HFC-1234ze
(CF₃CH=CHF(Z))
- (m) HFC-1234yf (CF₃CF=CH₂)
- (n) (E)-HFC-1234ze
(trans-CF₃CH=CHF)
- (o) (Z)-HFC-1336
(CF₃CH=CHCF₃(Z))
- (p) HFC-1243zf (CF₃CH=CH₂)
- (q) HFC-1345zfc (C₂F₅CH=CH₂)
- (r) 3,3,4,4,5,5,6,6,6-
Nonafluorohex-1-ene
(C₄F₉CH=CH₂)
- (s) 3,3,4,4,5,5,6,6,7,7,8,8,
8-Tridecafluorooct-1-ene
(C₆F₁₃CH=CH₂)
- (t) 3,3,4,4,5,5,6,6,7,7,8,8,
9,9,10,10,10-
Heptadecafluorodec-1-ene
(C₈F₁₇CH=CH₂)

”; and

(c) after item 5, insert —

- | | |
|---|--|
| <p>“5A. The following perfluorocarbons:</p> <ul style="list-style-type: none"> (a) PFC-c216 (c-C₃F₆) (b) Perfluorocyclopentene
(c-C₅F₈) (c) PFC-61-16 (n-C₇F₁₆) (d) PFC-71-18 (C₈F₁₈) (e) PFC-91-18 (C₁₀F₁₈) (f) Perfluorodecalin (cis)
(Z-C₁₀F₁₈) (g) Perfluorodecalin (trans)
(E-C₁₀F₁₈) (h) PFC-1114 (CF₂=CF₂) (i) PFC-1216 (CF₃CF=CF₂) | <p>Emitted in any
circumstances.</p> |
|---|--|

- (j) Perfluorobuta-1,3-diene
($\text{CF}_2=\text{CFCF}=\text{CF}_2$)
- (k) Perfluorobut-1-ene
($\text{CF}_3\text{CF}_2\text{CF}=\text{CF}_2$)
- (l) Perfluorobut-2-ene
($\text{CF}_3\text{CF}=\text{CFCF}_3$)

”.

Amendment of Third Schedule

41. In the Third Schedule to the principal Act —

(a) in Part 1, delete paragraph 1 and substitute —

“1. The carbon tax rate is as follows:

- (a) for carbon tax for GHG emissions in 2023 or any earlier emissions year — \$5/tCO₂e;
- (b) for carbon tax for GHG emissions in 2024 or 2025 — \$25/tCO₂e;
- (c) for carbon tax for GHG emissions in 2026 or any later emissions year — \$45/tCO₂e.”; and

(b) in Part 2, delete paragraph 1 and substitute —

“1. Subject to section 31A, a fixed-price carbon credit has a value as follows:

- (a) for any fixed-price carbon credit purchased in 2024 or any earlier year — \$5;
- (b) for any fixed-price carbon credit purchased in 2025 or 2026 — \$25;
- (c) for any fixed-price carbon credit purchased in 2027 or any later year — \$45.”.

Amendment of Fifth Schedule

42. In the Fifth Schedule to the principal Act —

- (a) in paragraph 3(a), after “the form and manner in which”, insert “, and any person by whom,”;
- (b) in paragraph 3(a)(i), (ii) and (iii) and (b), delete “carbon credits” and substitute “fixed-price carbon credits”;

-
-
- (c) in paragraph 3(a)(ii), delete “registry account” and substitute “FPCC registry account”;
 - (d) in paragraph 3(a)(v), delete “a registry account” and substitute “an FPCC registry account or an ICC registry account”;
 - (e) in paragraph 3(b), delete “and” at the end; and
 - (f) in paragraph 3, after sub-paragraph (b), insert —
 - “(ba) the criteria for eligible international carbon credits, and the acceptance by the Agency of eligible international carbon credits;
 - (bb) the time and manner in which or the process by which any eligible international carbon credit must be surrendered, and the circumstances in which any eligible international carbon credit may be treated as surrendered; and”.

Saving and transitional provisions

43.—(1) From and including the date of commencement of section 2, for the purposes of the principal Act —

- (a) the Carbon Credits Registry mentioned in the principal Act as in force immediately before that date is the Fixed-Price Carbon Credits Registry;
- (b) a carbon credit registry account of a registered person mentioned in the principal Act as in force immediately before that date, that remains open on that date, is treated as a fixed-price carbon credit registry account of the registered person; and
- (c) a carbon credit within the meaning of the principal Act as in force immediately before that date, that was purchased before that date and not yet surrendered on that date, is treated as a fixed-price carbon credit.

(2) Section 3(a) and (b) has effect in relation to any trigger year (as defined in section 7(1) of the principal Act as in force on the date of commencement of section 3(a) and (b)) that is 2023 or a subsequent year, and section 7 of the principal Act as in force immediately before

that date continues to apply in relation to any trigger year (as defined in section 7(1) of the principal Act as in force immediately before that date) that is 2022 or an earlier year (but not earlier than 2018).

(3) Section 3(c) has effect in relation to any transfer of operational control over a business facility that takes place in 2024 or a subsequent year.

(4) Section 8(4)(a) of the principal Act (as inserted by section 4(b)) has effect in relation to any trigger year (as defined in section 7(1) of the principal Act as in force on the date of commencement of section 3(a) and (b)) that is 2023 or a subsequent year, and section 8(4) of the principal Act as in force immediately before the date of commencement of section 4(b) continues to apply in relation to any trigger year (as defined in section 7(1) of the principal Act as in force immediately before the date of commencement of section 3(a) and (b)) that is 2022 or an earlier year (but not earlier than 2018).

(5) To avoid doubt —

- (a) a registered person may rely on paragraph (aa) of section 9(1) of the principal Act for the deregistration of a business facility as a taxable facility of the person, despite the registered person having ceased to operate the business facility before the date of commencement of section 5(b);
- (b) a registered person may rely on paragraph (aa) of section 9(3) of the principal Act for the deregistration of a business facility as a reportable facility of the person, despite the registered person having ceased to operate the business facility before the date of commencement of section 5(c); and
- (c) the Agency may rely on subsection (5) of section 9 of the principal Act to deregister a registered person and any business facility registered as a reportable or taxable facility of the person, despite the registered person having been wound up or dissolved, or having ceased to exist, before the date of commencement of section 5(d).

(6) Section 7 has effect in relation to any year that is 2024 or a subsequent year, and section 11 of the principal Act as in force immediately before the date of commencement of section 7 continues to apply in relation to any earlier year (but not earlier than 2018).

(7) Section 9 has effect in relation to any year that is 2024 or a subsequent year, and section 16 of the principal Act as in force immediately before the date of commencement of section 9 continues to apply in relation to any reporting period (as defined in section 11 of the principal Act as in force immediately before the date of commencement of section 7) (called in this section an old reporting period) that is or is a part of any earlier year (but not earlier than 2018).

(8) Section 14 has effect in relation to any emissions year (as defined in section 16(1) of the principal Act as in force on the date of commencement of section 9) that is 2024 or a subsequent year, and section 21 of the principal Act as in force immediately before the date of commencement of section 14 continues to apply in relation to any old reporting period that is or is a part of any earlier year (but not earlier than 2018).

(9) Section 15 has effect in relation to any emissions year (as defined in section 16(1) of the principal Act as in force on the date of commencement of section 9) that is 2024 or a subsequent year, and section 22 of the principal Act as in force immediately before the date of commencement of section 15 continues to apply in relation to any old reporting period that is or is a part of any earlier year (but not earlier than 2018).

(10) Section 17 has effect in relation to any tax or additional tax for any emissions year (as defined in section 16(1) of the principal Act as in force on the date of commencement of section 9) that is 2024 or a subsequent year, and section 24 of the principal Act as in force immediately before the date of commencement of section 17 continues to apply in relation to any tax or additional tax for any old reporting period that is or is a part of any earlier year (but not earlier than 2018).

(11) Section 31 has effect in relation to any tax or additional tax for any emissions year (as defined in section 16(1) of the principal Act as

in force on the date of commencement of section 9) that is 2024 or a subsequent year, and section 37(2) of the principal Act as in force immediately before the date of commencement of section 31 continues to apply in relation to any tax or additional tax for any old reporting period that is or is a part of any earlier year (but not earlier than 2018).

(12) Section 37 has effect in relation to applications to extend time made on or after the date of commencement of that section, and section 75 of the principal Act as in force immediately before that date continues to apply in relation to applications to extend time made before and pending on that date.

(13) For a period of 2 years after the date of commencement of any provision of this Act, the Minister may, by regulations, prescribe such provisions of a saving or transitional nature consequent on the enactment of that provision as the Minister may consider necessary or expedient.

(14) In this section, “Agency” and “registered person” have the meanings given by section 2(1) of the principal Act.
