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**No. S 330**

CARBON PRICING ACT 2018  
(ACT 23 OF 2018)

CARBON PRICING (CARBON TAX, CARBON CREDITS AND  
REGISTRIES) REGULATIONS 2020

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In exercise of the powers conferred by section 76 of the Carbon Pricing Act 2018, the Minister for the Environment and Water Resources makes the following Regulations:

**PART 1****PRELIMINARY****Citation and commencement**

1. These Regulations are the Carbon Pricing (Carbon Tax, Carbon Credits and Registries) Regulations 2020 and come into operation on 1 May 2020.

*[S 661/2023 wef 01/01/2024]*

**Definitions**

2. In these Regulations —

“carbon crediting programme” means a programme under which international carbon credits are issued;

“certified GHG emissions reductions or removals”, in relation to an international carbon credit, means the GHG emissions reductions or removals that an international carbon credit represents, as certified under the carbon crediting programme under which the international carbon credit is issued;

“chief executive” and “EDMA system” have the meanings given by the Carbon Pricing (Registration and General Matters) Regulations 2018 (G.N. No. S 858/2018);

“host country”, in relation to an international carbon credit, means the country or territory in which the certified GHG

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emissions reductions or removals to which the international carbon credit relates, were generated.

*[S 661/2023 wef 01/01/2024]*

PART 1A  
PAYMENT OF TAX USING  
ELIGIBLE INTERNATIONAL CARBON CREDITS

*[S 661/2023 wef 01/01/2024]*

**Prescribed tax and emissions year under section 17(3A) of Act**

**2A.** For the purposes of section 17(3A) of the Act, subject to section 33B of the Act, one eligible international carbon credit may be surrendered in place of one fixed-price carbon credit in respect of any tax for an emissions year (as defined in section 16(1) of the Act) that is 2024 or a subsequent year.

*[S 661/2023 wef 01/01/2024]*

PART 2  
ASSESSMENT OF CARBON TAX

**Issuance of notices of assessment**

**3.—(1)** This regulation applies to a notice of assessment issued by the Agency under Division 2 of Part 5 of the Act for a taxable facility of the registered person for an emissions year.

*[S 661/2023 wef 01/01/2024]*

(2) The Agency must serve the notice of assessment on the registered person through the EDMA system.

(3) The notice of assessment, if it is not for a revised assessment, must specify —

- (a) the amount of reckonable GHG emissions of the taxable facility in tCO<sub>2</sub>e for the emissions year or, where the assessment is made under section 22 of the Act, an estimate of such reckonable emissions;

*[S 661/2023 wef 01/01/2024]*

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- (b) where the taxable facility is eligible for any allowance for that emissions year, the amount of allowance for that emissions year as determined by the Minister charged with the responsibility for trade and industry under section 20E(6) of the Act;
- [S 661/2023 wef 01/01/2024]*
- (c) the tax chargeable;
- [S 661/2023 wef 01/01/2024]*
- (d) the number of carbon credits for the payment of the tax chargeable as follows:
- (i) the number of fixed-price carbon credits required to pay the tax chargeable;
  - (ii) if eligible international carbon credits may be surrendered, the maximum number of eligible international carbon credits that may be surrendered; and
- [S 661/2023 wef 01/01/2024]*
- (e) the date by which —
- (i) any fixed-price carbon credits must be surrendered to pay the tax chargeable or any part thereof;
  - (ii) an application to purchase fixed-price carbon credits must be made (if fixed-price carbon credits need to be purchased for surrender by the date in sub-paragraph (i)); and
  - (iii) evidence of retirement of any eligible international carbon credits mentioned in sub-paragraph (d)(ii) must be submitted to the Agency in accordance with regulation 11(1), if regulation 11(2) does not apply.
- [S 661/2023 wef 01/01/2024]*
- (4) The notice of assessment, if it is for a revised assessment, must specify —
- (a) the reckonable emissions of the taxable facility in tCO<sub>2</sub>e for the emissions year as revised by the Agency;
- [S 661/2023 wef 01/01/2024]*

(aa) where the taxable facility was eligible for any allowance for that emissions year, the amount of allowance for that emissions year as determined by the Minister charged with the responsibility for trade and industry under section 20E(6) of the Act;

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(ab) the revised amount of tax chargeable; and

*[S 661/2023 wef 01/01/2024]*

(b) one of the following:

(i) where the amount of tax chargeable after the revision is higher than before the revision —

(A) the number of fixed-price carbon credits required, and the date by which the fixed-price carbon credits must be surrendered, to pay the difference; and

*[S 661/2023 wef 01/01/2024]*

(B) the date by which an application to purchase fixed-price carbon credits must be made (if fixed-price carbon credits need to be purchased for surrender by the date in sub-paragraph (A));

*[S 661/2023 wef 01/01/2024]*

(ii) where the amount of tax chargeable after the revision is lower than before the revision —

(A) the number of fixed-price carbon credits equivalent in value to the amount by which the tax chargeable has been lowered; and

*[S 661/2023 wef 01/01/2024]*

(B) where section 19(2) of the Act applies, the date by which the Agency will credit that number of fixed-price carbon credits into the FPCC registry account for the taxable facility in refund of that amount.

*[S 661/2023 wef 01/01/2024]*

### **Notice of objection**

4.—(1) A registered person raising any objection to a notice of assessment served on the registered person must submit the notice of

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objection to the Agency through the EDMA system, or in any other manner allowed by the Agency.

(2) The notice of objection must specify —

(a) the amount which the registered person claims to be the reckonable GHG emissions, and the tax chargeable, for the emissions year to which the notice of assessment relates; and

*[S 661/2023 wef 01/01/2024]*

(b) for the purpose of section 23(3)(b) of the Act, the details of the basis of the registered person's claim.

(3) The notice of objection must be endorsed by the chief executive or equivalent of the registered person.

(4) To avoid doubt, the submission of the notice of objection does not affect any liability of the registered person to pay the tax specified in the notice of assessment in accordance with section 17 of the Act.

### PART 3

#### FIXED-PRICE CARBON CREDITS REGISTRY

*[S 661/2023 wef 01/01/2024]*

#### **Opening of FPCC registry account**

**5.—(1)** Upon opening an FPCC registry account under section 31 of the Act for a taxable facility of a registered person, the Agency must notify the registered person through the EDMA system of the details of the FPCC registry account.

*[S 661/2023 wef 01/01/2024]*

(2) Within 30 days after the registered person receives the notification, the registered person must, in the form and manner required by the Agency, provide such information (including details of a bank account of the registered person) as will enable the Agency to link the FPCC registry account to the bank account for the purpose of the payment by GIRO of fixed-price carbon credits for the registry account.

*[S 661/2023 wef 01/01/2024]*

*[S 661/2023 wef 01/01/2024]*

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### Changes to FPCC registry account

6. Unless the Agency otherwise allows, no change to the details of the bank account of a registered person mentioned in regulation 5 may be made from 1 August of the year immediately following an emissions year until the tax for the emissions year is paid.

*[S 661/2023 wef 01/01/2024]*

### Transactions involving fixed-price carbon credits

7.—(1) The following must be carried out through the EDMA system:

(a) the submission of any application to purchase fixed-price carbon credits for an FPCC registry account of a taxable facility of a registered person;

*[S 661/2023 wef 01/01/2024]*

(b) the submission of any application to transfer fixed-price carbon credits from the FPCC registry account of a taxable facility of a registered person to the FPCC registry account of another taxable facility of the registered person;

*[S 661/2023 wef 01/01/2024]*

(c) the surrender of fixed-price carbon credits from an FPCC registry account.

*[S 661/2023 wef 01/01/2024]*

(2) Where a registered person makes an application mentioned in paragraph (1)(a), the registered person must ensure that there are sufficient funds in the bank account linked to the FPCC registry account to pay for the fixed-price carbon credits applied for.

*[S 661/2023 wef 01/01/2024]*

(3) The Agency must notify the registered person through the EDMA system whether or not an application mentioned in paragraph (1)(a) is successful.

*[S 661/2023 wef 01/01/2024]*

## PART 4

### INTERNATIONAL CARBON CREDITS

*[S 661/2023 wef 01/01/2024]*

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**Prescribed criteria under section 33A(a) of Act**

8. For the purposes of section 33A(a) of the Act, the following are the prescribed criteria for an international carbon credit being used to pay any tax chargeable for any emissions year (as defined in section 16(1) of the Act) that is 2024 or a subsequent emissions year:

- (a) the certified GHG emissions reductions or removals must not be counted more than once in contravention of the Paris Agreement adopted on 12 December 2015, and any guidance adopted by the Conference of the parties serving as the meeting of the Parties to that Agreement;
- (b) the certified GHG emissions reductions or removals must have occurred or must occur between 1 January 2021 and 31 December 2030 (both dates inclusive);
- (c) the certified GHG emissions reductions or removals must exceed —
  - (i) any GHG emissions reductions or removals required by any law or regulatory requirement of the host country; and
  - (ii) any GHG emissions reductions or removals that would otherwise have occurred in a conservative and business-as-usual scenario;
- (d) the certified GHG emissions reductions or removals must have been quantified based on a realistic, defensible, and conservative estimate of the amount of GHG emissions that would have occurred in a business-as-usual scenario, assuming the project or programme that generated the certified GHG emissions reductions or removals had not been carried out;
- (e) the certified GHG emissions reductions or removals must have been calculated in a manner that is conservative and transparent, and must have been measured and verified by an accredited and independent third-party verification entity before the international carbon credit was issued;

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- (f) subject to paragraph (g), the certified GHG emissions reductions or removals must not be reversible;
  - (g) where there is a risk that the certified GHG emissions reductions or removals may be reversible, there must be measures in place to monitor, mitigate and compensate any material reversal of the certified GHG emissions reductions or removals;
  - (h) the project or programme that generated the certified GHG emissions reductions or removals must not violate —
    - (i) any applicable laws of the host country, whether provincial or national;
    - (ii) any applicable regulatory requirements of the host country, whether provincial or national; and
    - (iii) any international obligations of the host country;
  - (i) subject to paragraph (j), the carrying on of the project or programme that generated the certified GHG emissions reductions or removals must not have resulted in, or result in, a material increase in GHG emissions at any place other than the site of that project or programme;
  - (j) where there is a risk that the carrying on of the project or programme that generated the certified GHG emissions reductions or removals may have resulted in or may result in a material increase in GHG emissions at any place other than the site of that project or programme, there must be measures in place to monitor, mitigate and compensate any such material increases in GHG emissions.

*[S 661/2023 wef 01/01/2024]*

### **Prescribed limit under section 33B(1) of Act**

**9.** For the purpose of section 33B(1) of the Act, the prescribed limit of eligible international carbon credits that may be surrendered to pay tax chargeable for any emissions year (as defined in section 16(1) of the Act) is  $\frac{5}{100} \times A$ , rounded down to the nearest whole number, where A is the numerical value of the carbon dioxide equivalence of

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the total amount of the reckonable GHG emissions in that emissions year, rounded up to the nearest metric tonne.

[S 661/2023 wef 01/01/2024]

### **Applications for Agency's acceptance of international carbon credits**

**10.**—(1) A person that wishes to surrender an international carbon credit to pay any tax chargeable under an assessment pursuant to section 21(1) or (2) of the Act for an emissions year (year *R*) may apply to the Agency for the Agency's acceptance of the international carbon credit as an eligible international carbon credit.

(2) An application under paragraph (1) must be made —

- (a) by using the EDMA system;
- (b) by submitting a notice of ICC use in the form specified by the Agency; and
- (c) no earlier than 1 July of year *R* and no later than 30 June of year *R* + 1 (both dates inclusive).

(3) Every application under paragraph (1) must be accompanied by any information or documents that the Agency requires to decide on the application.

(4) Upon receipt of the application, the Agency may, in accordance with any direction of the Minister charged with the responsibility for sustainability and the environment given for the purpose of section 33A(b) of the Act —

- (a) accept the international carbon credit as an eligible international carbon credit; or
- (b) refuse to accept the international carbon credit as an eligible international carbon credit.

(5) Without limiting paragraph (4)(b), the Agency may refuse to accept an international carbon credit as an eligible international carbon credit if the applicant has not submitted any information or document required by the Agency to decide on the application.

(6) The Agency must notify the registered person through the EDMA system whether or not the application is successful.

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(7) Any decision made by the Agency on whether to accept an international carbon credit as an eligible international carbon credit is final.

(8) To avoid doubt, where —

- (a) pursuant to an application made by a person under paragraph (1), the Agency accepts an international carbon credit as an eligible international carbon credit, for the purposes of paying any tax chargeable under an assessment pursuant to section 21(1) or (2) of the Act for year *R*; and
- (b) the person wishes to surrender that international carbon credit to pay any tax chargeable under an assessment pursuant to section 21(1) or (2) of the Act for any subsequent emissions year,

the person must apply under this regulation for the Agency's acceptance of the international carbon credit as an eligible international carbon credit for that subsequent emissions year.

*[S 661/2023 wef 01/01/2024]*

### **Surrender of international carbon credits**

**11.—**(1) A person that wishes to surrender an eligible international carbon credit to pay any tax chargeable under an assessment pursuant to section 21(1) or (2) of the Act for an emissions year (year *R*) must, by 31 August of the year *R* + 1 —

- (a) cause the retirement of the eligible international carbon credit; and
- (b) submit evidence of retirement of the eligible international carbon credit through the EDMA system or in any other manner directed by the Agency if the EDMA system is not available for use, whether due to maintenance work being carried out, malfunction or other reason.

(2) Subject to paragraph (3), a person need not comply with paragraph (1)(b) if the Agency has notified the person in writing that the operator of the carbon crediting programme under which the eligible international carbon credit was issued, has entered into an

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arrangement with the Agency under which evidence of retirement of that eligible international carbon credit will be submitted to the Agency.

(3) Paragraph (2) does not apply where the Agency has notified the person in writing that the person must comply with paragraph (1)(b) due to any suspension or termination of the arrangement in paragraph (2) for any reason.

(4) For the purposes of paragraphs (1)(b) and (2), the evidence of retirement which must be submitted include documents evidencing all of the following:

- (a) the year in which the certified GHG emissions reductions or removals occurred;
- (b) the host country of the eligible international carbon credit;
- (c) the carbon crediting programme under which the eligible international carbon credit was issued;
- (d) the identification number that was assigned under the carbon crediting programme to the project or programme that generated the certified GHG emissions reductions or removals;
- (e) the name and reference number that were assigned under the carbon crediting programme to the methodology used to calculate the amount of certified GHG emissions reductions or removals;
- (f) the date of retirement of the eligible international carbon credit;
- (g) the name of the registered person on whose behalf the eligible international carbon credit was retired;
- (h) the FPCC registry account number of the taxable facility in relation to which tax was chargeable and in payment of which the eligible international carbon credit was retired;
- (i) that the purpose of retirement of the eligible international carbon credit was to pay carbon tax imposed under Singapore law;

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- (j) the reference number of the notice of assessment setting out the tax in respect of which the eligible international carbon credit was being retired to pay;
  - (k) the serial number of the eligible international carbon credit that was retired.

(5) Where any document mentioned in paragraph (4) is submitted as evidence of retirement of more than one eligible international carbon credit, there must be further evidence of the number of eligible international carbon credits to which the document relates, whether in the document itself or in another document.

(6) The person submitting any evidence of retirement under paragraph (1)(b) or (2) must specify the emissions year in relation to which the eligible international carbon credit was surrendered, and upon receipt of the evidence of retirement, the Agency may —

- (a) accept the evidence of retirement; or
- (b) reject the evidence of retirement.

(7) Without limiting paragraph (6)(b), the Agency may reject evidence of retirement of an international carbon credit if —

- (a) the Agency considers that the evidence of retirement submitted under paragraph (1)(b) or (2) is incomplete;
- (b) the evidence of retirement that is submitted under paragraph (1)(b) or (2) contains information that is inconsistent with any information or document that was submitted under regulation 10 for the purposes of the acceptance of that international carbon credit as an eligible international carbon credit; or
- (c) the international carbon credit was retired on a date that is before the date of service of the notice of assessment setting out the tax that the international carbon credit is being surrendered to pay.

(8) Any decision made by the Agency on whether to accept the evidence of retirement of an eligible international carbon credit is final.

(9) The Agency must notify the registered person through the EDMA system if the evidence of retirement in relation to an eligible international carbon credit has been rejected.

(10) The surrender of an eligible international carbon credit takes effect upon the acceptance by the Agency of the evidence of retirement relating to that carbon credit.

*[S 661/2023 wef 01/01/2024]*

Made on 16 April 2020.

ALBERT CHUA  
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Ministry of the Environment and  
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