

Cabinet Resolution No. (67) of 2024
Concerning the National Register For Carbon Credits

The Cabinet:

- Upon reviewing the Constitution;
- Federal Law No. (1) of 1972 Concerning the Competences of Ministries and the Powers of Ministers, as amended; and
- Federal Law No. (24) of 1999 Concerning the Protection and Development of the Environment and the amendments thereto; and
- Federal Law No. (4) of 2000 Concerning the UAE Securities and Commodities Authority (SCA), and amendments thereof; and
- Based on the proposal of the Minister of Climate Change and Environment and the approval of the Cabinet,

Has resolved the following:

Article (1)

Definitions

In the application of the provisions of this Resolution, the following words and expressions shall have the meanings indicated opposite each of them unless the context requires otherwise:

State	: United Arab Emirates.
Ministry	: The Ministry of Climate Change and Environment.
Minister	: Minister of Climate Change and Environment.
SCA	: Securities and Commodities Authority.
Competent Authority	: The authority that is concerned with climate change affairs in every Emirate.
Free Zone	: Any existing, or under construction, in the State subject to a federal or local legislation.
Financial Free Zone	: A financial free zone established subject to Federal Law No. (8) of 2004 concerning the Financial Free Zones.

- Entities of Huge Carbon Emissions** : Entities of carbon dioxide equivalent emissions that are equal to or exceed (0.5) million metric tons annually in the State. These shall include any entities from the public or private sectors.
- Participating Entities** : Any entity that reduces its emissions under (0.5) million metric tons of Carbon Dioxide equivalent annually in the State. These shall include any entities from the public or private sectors and voluntarily apply to be registered at the National Register For Carbon Credits and get or trades in carbon credits.
- Carbon Credits** : A certificate that includes the volume of carbon dioxide equivalent that was reduced during certain period/periods of time stated in the certificate. Such certificate is negotiable and allows its holder within the holder's operations emissions that equal to credit recorded in the certificate.
- Trading Platform for Carbon Credits** : A platform allowing entities of huge carbon emissions and the participating entities to trade in carbon credits.
- Carbon Retirement** : A procedure that means withdrawing carbon credits by the Ministry with the aim to abide by a ceiling of greenhouse gas emissions determined by the Ministry or the competent authority.
- Carbon Credits Trading** : Buying or selling carbon credits registered at the National Register For Carbon Credits via a trading platform for carbon credits or any other platform outside the State which is licensed to operate in this purpose. Trading also includes operations of withdrawal and retirement.
- Carbon Removal** : All activities to absorb, isolate, detain and reuse carbon through using environmental or mechanical systems.
- Clean Development Mechanism** : A cooperative mechanism that was approved pursuant to Kyoto Protocol. This mechanism helps countries to achieve sustainable development through encouraging governments and industrial companies to carry on eco-friendly investments.

- Case report form (CRF)** : A series of tables including unified data and basic information shown in Annex No. (1) attached to this Resolution.
- Verification** : The process of evaluating activities, operations and its data in order to verify the volume or quantity of greenhouse gas emissions released thereof in accordance with approved standards and specifications.
- Greenhouse Gases** : Gas components consisting the atmosphere, naturally and humanly released, which absorb infrared rays and re-emit these rays. This contributes to global warming. The most important elements are CO₂, CH₄, N₂O, HFCs, PFCs, SF₆ and NF₃.
- Greenhouse Gas Inventory Protocol** : An internationally acknowledged standard for monitoring, reporting and verification of greenhouse gas emission at institutions scale.
- International Organization for Standardization (ISO)** : An international organization for standards development consisting of representatives of organizations of standards and specifications.
- Intergovernmental Panel on Climate Change** : A UN international organization. It is the valid scientific entity in the field of studying global warming and its impacts.
- International Negotiable Carbon Credits** : Carbon credits represented in the form of Carbon Dioxide equivalent [CO₂e] that can be traded in the markets of other countries and are subject to requirements of Article (6) of Paris Agreement for Climate Change.
- National System for Monitoring, Reporting and Verification** : An electronic system created at the Ministry consisting of a group of processes to measure GHG emissions quantity. This system contributes to measure emission reduction arising from mitigation and removal procedures during a certain period.
- The National Register For Carbon Credits** : A national register for issuing and stating possession of carbon credits and documenting carbon retirement data of huge carbon emission entities and the participating entities established pursuant to this Resolution.

- National Report for GHG Emission Inventory** : A document showing the volume of GHG emissions resulting from activities and operations of the entity according to the type of gas.
- Nationally Determined Contributions** : A working climate plan to reduce emissions and to adapt with impacts of climate change. The national contribution is determined and renewed every (5) five years as an application of Paris Agreement for Climate Change.
- Scope One for GHG Emissions** : Direct emissions generated by the facility or entity of huge carbon emissions or the participating entities, resulting from operations and operating activities, into the atmosphere.
- Scope Two for GHG Emissions** : Indirect emissions resulting from consumption of electricity, energy, temperature, steam and cooling that are used in operations and operating activities.
- Convention** : United Nations Framework Convention on Climate Change.
- Carbon Border Tax** : A tax imposed on high carbon exported products that aims at enhancing the practices of the cleanest production to achieve climate neutrality.

Article (2)

Objectives

This Resolution aims at reducing GHG emissions to achieve climate neutrality of the State in 2050, and to regulate registration of carbon credits.

Article (3)

Scope of Application

This Resolution shall be applied in the State, including the financial and non-financial free zones according to the following:

1. This Resolution shall be applied to the entities of huge carbon emissions that equal to or are more than (0.5) million metric tons of Carbon Dioxide equivalent annually within the scope 1 and scope 2 of GHG emissions.

2. This Resolution shall be applied to the participating entities that reduce its emissions under (0.5) million metric tons of Carbon Dioxide equivalent annually within the scope one and scope two of GHG emissions. These entities voluntarily apply to be registered at the National Register For Carbon Credits and get or trades in carbon credits.
3. Trading Platform for Carbon Credits.
4. Subject to a Cabinet resolution based on the proposal of the Minister and upon coordination with federal and local concerned entities, other sectors may be added in order to apply this Resolution on them or amend the maximum limit of the huge carbon emissions stated in this Resolution.

Article (4)

Monitoring, Reporting and Verification of Emission

The Entities of huge carbon emissions and the participating entities shall have a monitoring, reporting and verification system, taking the following into account:

1. The process of monitoring emissions shall include the following:
 - a. Usage of the most updated methodologies and guidelines in preparing statements of GHG emissions inventory that belong to the Intergovernmental Panel on Climate Change in order to estimate the volume of emissions according to sources and rates of absorption.
 - b. Measurement of GHG emissions based on the National System for Monitoring, Reporting and Verification according to a baseline designated at year 2019 or any other later date.
2. The process of reporting emissions shall include the following:
 - a. Usage of basic approved standards in Greenhouse Gas Inventory Protocol set forth in Annex No. (1) attached to this Resolution.
 - b. GHG emissions report shall be delivered annually to the Ministry and the competent authority.
 - c. Reporting requirements stipulated in Paris Agreement for Climate Change and the Intergovernmental Panel on Climate Change.
3. The process of verification of emissions shall include the following:

- a. Reports of GHG emissions reduction shall be audited by the verification agency according to the standards of the International Organization for Standardization (ISO) with respect to the principles and requirements for bodies performing validation and verification of environmental information statements ((ISO) 14065: 2021) – and reporting standards.
 - b. Verification agency shall have an approval of the verification scope of emissions reduction for products and organizations as per ISO Standards (ISO 14064 or ISO 14067).
 - c. Verification agency shall be authorized by the Ministry and shall have an accreditation of International Organization for Standardization or issuing certificates (ISO 17029 or 17065).
 - d. Verification certificates of GHG emission reduction shall be granted by the Verification agency upon fulfilment of the requirements stipulated in this Article.
4. The participating entities shall comply that its monitoring, reporting and verification system shall include the following greenhouse gases and any updates to be issued by the Ministry.
- a. Carbon Dioxide (CO₂)
 - b. Methane (CH₄)
 - c. Nitrous oxide (N₂O) –
 - d. Hydrofluorocarbons (HFCs) –
 - e. Per-fluorinated chemicals (PFCs) –
 - f. Sulphur hexafluoride (SF₆) –
 - g. Nitrogen trifluoride (NF₃)
 - h. Nitrogen trifluoride (NF₃)

Article (5)

The National Register For Carbon Credits

1. The Ministry shall establish the National Register For Carbon Credits in order to approve carbon credits and shall set its working regulation. The Ministry may appoint an entity to manage and maintain the National Register.

2. The National Register For Carbon Credits shall comply with requirements of the Convention and requirements of Article (6) of Paris Agreement for Climate Change in order to ensure sustainability of the National Register For Carbon Credits.
3. The Ministry may use the National Register For Carbon Credits upon preparation of national reports for GHG emission inventory and the report of Nationally Determined Contributions.
4. The Ministry may use the National Register For Carbon Credits to provide required documents to ensure compliance of the participating entities to the requirements of the global compliance carbon market and requirements of carbon border taxes.

Article (6)

Registration and Approval in the National Register For Carbon Credits

1. Entities of huge carbon emissions shall register at the National Register For Carbon Credits by submitting the following documents:
 - a. A valid commercial/industrial license.
 - b. Basic data of the enterprise, including its facilities. The data shall include procedures for reduction of GHG emissions at each facility containing negotiable international carbon credits.
 - c. Any other documents the Ministry deems necessary.
2. Entities of huge carbon emissions shall fulfil the following requirements for the approval of carbon credits in the National Register For Carbon Credits.
 - a. Carbon credits shall fulfil the reduction features consistent with Article No. (6) of Paris Agreement for Climate Change where reduction is real, measurable, approved and continuous during the reduction period without interruption, of absolute value, with added-value to the national sectoral target within the national track for climate neutrality 2050 approved by the Cabinet, or as determined by the Ministry in coordination with the competent authority to achieve the local sectoral target.
 - b. Providing a statement about its activities, operations and procedures to reduce and remove carbon.
 - c. Providing the following data and documents:

1. Updated data about emissions released by its activities in the national system of monitoring, reporting and verification.
 2. An approved certificate for carbon reduction issued by an agency that is approved by the Ministry to grant certificates.
 3. A document proving the payment of fees of carbon credits approval.
 - d. A statement for benefiting from IREC to disclose its contributions in carbon reduction and avoid Double enumeration in reduction quantities.
 - e. A statement for benefiting from IREC abroad in order to make exemptions for related carbon credits quantities from total carbon credits approved for entities of huge carbon emissions and the participating entities at the National Register For Carbon Credits.
3. The participating entities that voluntarily applied to be registered at the National Register For Carbon Credits shall abide by the requirements imposed on entities of huge carbon emissions in clauses (1) and (2) of this Article.
 4. Verified Carbon credits shall be approved and recognized in the National Register For Carbon Credits for entities of huge carbon emissions and the participating entities according to all relevant carbon reduction or removal projects.

Article (7)

Carbon Credits Validity

1. Carbon credits approval for carbon reduction and removal shall begin starting from 2019 (baseline year).
2. Period of carbon credits approval for carbon removal activities, operations and procedures shall be consistent with the international recognized scientific standards pursuant to Paris Agreement for Climate Change or any other methodology determined by the Ministry in coordination with the competent authority.
3. Period of carbon credits approval for carbon removal activities and operations shall be consistent with requirements of Article (6) of Paris Agreement for Climate Change.

Article (8)

Selling and Buying Carbon Credits

1. Entities of huge carbon emissions may buy carbon credits to compensate its greenhouse gas emissions and achieve climate neutrality.
2. Participating entities that obtained approved carbon credits from the National Register For Carbon Credits may sell these credits on carbon credits trading platform including inside the financial free zone.
3. Expired carbon credits and carbon retirement may not be used by the participating entities to achieve its objectives to reduce greenhouse gas emissions released by such entities.

Article (9)

Carbon Credits Trading and Related Financial Activities

1. Carbon credits issued by the National Register For Carbon Credits shall be deemed financial instruments traded via carbon credits trading platform in case trading is in the State.
2. Carbon credits may be traded via licensed platforms outside the State upon the approval of the Ministry and according to the requirements issued by the Ministry.
3. For the purposes of implementing the provisions of this Resolution, SCA shall undertake the following competences:
 - a. Issuing resolutions regulating the licenses of carbon credits trading platform and mechanism of its work and all matters thereof.
 - b. Issuing resolutions regulating listing, trading, clearing, settlement and transfer of ownership of carbon credits and all matters thereof.
 - c. Issuing resolutions regulating financial platforms that relate to carbon credits trading platform.
 - d. Supervising and controlling carbon credits trading platform and its relevant financial activities in addition to transactions conducted through the platform and investigating any violation thereof.

- e. Determining and fulfilling fees and commissions of carbon credits trading platform and its relevant financial activities, for which a Cabinet resolution is issued based on the proposal of the Minister of Finance.

Article (10)

Carbon Credits

1. Carbon credits transferred from projects that are registered in the clean development mechanism to the National Register For Carbon Credits shall be dealt with according to provisions of the Convention and Paris Agreement for Climate Change.
2. Carbon credits certificate can be obtained within mitigation and removal procedures, such as carbon capture and storage natural and technological activities.

Article (11)

Carbon Credits Disposal

The entity that owns carbon credits shall provide a carbon credits disposal statement including the quantity of credits and the entity for which the credits were sold or approved and the selling price in order to ensure the amendment and validity of carbon credits data at the National Register For Carbon Credits.

Article (12)

Violations and Administrative Penalties

1. The Ministry may impose administrative fines stipulated in Annex No. (2) attached to this Resolution for violations ascribed to each of them.
2. The Ministry shall collect the administrative fines stipulated in Annex No. (2) attached to this Resolution through the methods decided by the Ministry of Finance.
3. SCA may impose one penalty or penalties of the following administrative penalties against whoever violates provisions of resolutions, controls or circulars issued by SCA due to its jurisdiction stipulated in Clause (3) of Article (9) of this Resolution:
 - a. Warning.
 - b. A financial fine that does not exceed (1,000,000) one million Dirhams shall be imposed.

- c. Suspending the listing or trading process of carbon credits, or cancelling its listing.
 - d. Suspending or stopping the operation of carbon credits trading portal and seek assistance of the concerned authorities in the State to implement this task.
 - e. Suspending or cancelling the license of any entity licensed to practise a financial activity that relates to the portal.
 - f. Suspending or cancelling the accreditation of any employee at one of the entities licensed to practise a financial activity that relates to the portal.
 - g. Obligating the violating person to remedy the violation in accordance with the provisions of this Resolution.
4. The Cabinet shall, based on the proposal of SCA and upon coordination with the Ministry of Finance, issue a resolution designating the administrative violations and penalties for actions in violation of provisions of this Resolution and resolutions issued thereto in accordance with jurisdiction of SCA.

Article (13)

Appeal

It shall be permitted for any interested party or stakeholder to appeal to the Minister, SCA Chairman of the Board or the delegate of both, against the resolutions and procedures taken against them under the provisions of this Resolution and executive resolutions thereof within fifteen (15) working days from the date of being notified of the resolution or procedure which is being appealed; provided that the appeal is justified and is accompanied by all supporting documents and instruments. A decision shall be made on the appeal within thirty (30) days from the date it is submitted, and the decision issued thereon shall be final. Failure to reply within the said period shall be deemed a rejection to the appeal.

Article (14)

Regularization

Entities of huge carbon emissions operating at the enforcement of this Resolution shall regularize their status according to provisions of this Resolution within (6) six months as of the enforcement date.

Article (15)

Fees

A Cabinet resolution shall be issued, based on the proposal of the Minister of Finance, determining the fees that should be collected by the Ministry or SCA as an execution of provisions of this Resolution.

Article (16)

Verification Agencies

The Minister shall, in coordination with the competent authority, issue a resolution approving a list of verification agencies authorized to issue carbon credits certificates.

Article (17)

Executive Resolutions

The Minister, in coordination with the Competent Authority, shall issue the Executive Resolutions necessary to apply the provisions of this Resolution.

Article (18)

Repeals

Any provision that violates or contradicts the provisions of this Resolution shall be repealed.

Article (19)

Resolution Publication and Entry into Force

This Resolution shall be published in the Official Gazette and shall come into force after (6) six months from the date of its publication.

Mohammed bin Rashid Al Maktoum

Prime Minister

Issued by Us:

Dated: 04 /Dhu‘l-Hijjah / 1445 H

Corresponding to:10 /June / 2024

Annex No. (1): Form of GHG Reporting

Inventory of GHG Emissions

(Company Name)

(Stock Year)

Company Logo

Was this register of greenhouse emissions verified by auditing agencies?
<input type="checkbox"/> Yes (If the answer is yes, write down below the contacts of the verifier and attach the verification statement)
<input type="checkbox"/> No
Verification Date: (MM/DD/YY)
Auditor:
E-mail:
Phone:
Address:

Were any facilities, operations or sources of emission excluded from this inventory? If the answer is yes, please explain.
The report period covered by this stock.
From: (MM/DD/YY) to: (MM/DD/YY)

Organizational Limitations

What is the unification method that was chosen (Verify each merger approach your company reports its emissions)

If your company reports according to more than one merger approach, please complete and attach an additional complete report form that provides data of your company's emissions.

Control over operations <input type="checkbox"/>	Finance Control <input type="checkbox"/>	Equity Shares <input type="checkbox"/>
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Operational limitations

Are emissions of scope 3 listed in this inventory?

Yes

No

If the answer is yes, what are the types of activities listed in emissions of scope 3?

Information about emissions

The following table refers to emissions that are independent from any transactions that relate to greenhouse gases, such as sales, buying, bank transfers or transactions concerning allowances:

Emissions	PFCs (mt)	HFCs (mt)	N ₂ O (mt)	CH ₄ (mt)	CO ₂ (mt)	TOTAL (mtCO ₂ e)	SF6 (mt)
Scope 1							
Scope 2							

Direct emissions of Carbon Dioxide resulting from Bio-combustion (million tons of Carbon Dioxide)

Baseline Year

The year chosen to be a baseline year
Demonstration of the policy determined by the company for the procedures of recalculation of the baseline emissions processes
The context of any major changes in emissions that lead to recalculation of the baseline emissions
Baseline emissions

Emissions	PFCs (mt)	HFCs (mt)	N ₂ O (mt)	CH ₄ (mt)	CO ₂ (mt)	TOTAL (mtCO ₂ e)	SF6 (mt)
Scope 1							
Scope 2							

Methodologies and emissions coefficients

Methodologies used to calculate or measure emissions otherwise those stipulated in the Greenhouse Gas Inventory Protocol (Submit a reference or link for any calculation tools used other than the Greenhouse Gas Inventory Protocol)

Organizational Limitations

Does the reporting company have an operating control? (Yes/No)	Does the reporting company have a financial control? (Yes/No)	Percentage of equity shares in the legal entity	A list of all legal entities or facilities in which the reporting company owns equity shares, a financial control or an operating control

<p>If the parent company of the reporting company does not report emissions, include an organizational plan that clearly determines the relationship between the reporting subsidiary in addition to other subsidiaries.</p>			

Information about emissions

Emissions are classified according to types of sources	
Scope 1: Direct emissions from owned/controlled operations	
a. Direct emissions from fixed combustion	
b. Direct emissions from mobile combustion	
c. Direct emissions from the operation sources	
d. Direct emissions from the leaking sources	
e. Direct emissions from the agricultural sources	
Scope 2: Indirect emissions from buying electricity, steam, heating and cooling	
a. Indirect emissions from purchased/acquired electricity	
b. Indirect emissions from purchased/acquired steam	
c. Indirect emissions from purchased/acquired heating	
d. Indirect emissions from purchased/acquired refrigeration	

Emissions classified as per the enterprise (recommended for individual enterprises of fixed combustion emissions that are above 10,000 metric tons of Carbon Dioxide equivalent)	
Potential	Scope 1 emissions

Emissions classified by country	
State	Emissions (Determine the included scopes)

Emissions attributed to generating electricity, heat, or STEM that is sold or transferred to another organization

Emissions attributed to generating electricity or heat, or steam that is purchased in order to be resold to non-end users

Emissions from greenhouse gases that are not covered by Kyoto Protocol (such as Chlorofluorocarbon and Nitrogen Oxides)

Information about the reasons of emission changes that did not lead to recalculation of the baseline year emissions (For example, operation changes, improvement of efficiency and closure of the factory)

Data of greenhouse emissions for all years between the baseline year and the reporting year (including the details and reasons of recalculation, when appropriate)

Performance indicators of relevant percentage (such as emissions per generated kW/h and sales, etc.)

A detailed plan for any programs or strategies to manage/reduce greenhouse gases

Additional Information

Information about any contractual provisions approaching the risks and obligations that relate to greenhouse gases

A detailed plan for any third party guarantee provided and a copy of any verification statement, if possible, for the data of reported emissions

Information about the quality of inventory (for example, information about the reasons and volume of uncertainty in emissions estimates) and a plan for applicable policies to improve the quality of the stock

Information about any greenhouse gases detention

Information about compensation

Information about compensations purchased or developed outside the boundaries of the inventory		
Were compensations verified, approved or accepted by third party program for greenhouse gases (for example, Clean Development Mechanism)?	Type of compensation project	Quantity of greenhouse gases (one million tons of Carbon Dioxide equivalent)

Information about reductions within the limits of stock that were sold / transferred as compensations for third parties		
Were compensations verified, approved or accepted by third party program for greenhouse gases (for example, Clean Development Mechanism)?	Type of compensation project	Quantity of greenhouse gases (one million tons of Carbon Dioxide equivalent)

Annex No. (2)
Concerning Administrative Fines

No.	Violations	Penalty of the first time violation (AED)	Penalty of the second time violation (AED)	Penalty of the third time violation, or more (AED)
1	Non-compliance of the entities of huge carbon emissions and the participating entities to measure greenhouse gas emissions	500,000	1,000,000	2,000,000
2	Non-compliance of the entities of huge carbon emissions and the participating entities to deliver the report of greenhouse gas emissions annually to the Ministry	500,000	1,000,000	2,000,000
3	Non-compliance of the entities of huge carbon emissions and the participating entities to fulfil reporting requirements stipulated in Paris Agreement for Climate Change and the Intergovernmental Panel on Climate Change	500,000	1,000,000	2,000,000

4	Non-compliance with any other provisions of the National Register For Carbon Credits	100,000	200,000	300,000
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