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**AMENDMENTS TO THE CARBON OFFSET REGULATIONS PRESCRIBING CARBON
OFFSETTING IN TERMS OF SECTION 19(c) OF THE CARBON TAX ACT**

31 MARCH 2021

Amendments to the Carbon Offset Regulations prescribing carbon offsetting in terms of section 19(c) of the Carbon Tax Act (Act No 15 of 2019), are hereby published for comment.

Comments must be submitted to National Treasury at: CarbonTax@Treasury.gov.za by 30
April 2021

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SCHEDULE

Definitions

1. In these Regulations, “**the Regulations**” means the regulations published by Government Notice No. R.1556 of 29 November 2019.

Amendment of regulation 1 of the Regulations

2. Regulation 1 of the Regulations is hereby amended—

(a) by the substitution in the definition of “approved project” for paragraph (d) of the following paragraph:

“(d) a project that complies with another standard approved by the Minister Responsible for Energy or delegated authority;”;

(b) by the deletion of the definition of “attestation of voluntary cancellation”;

(c) by the substitution for the definition of “cancellation of carbon credit” of the following definition:

“**cancellation of carbon credit**” means the permanent removal of a carbon credit from circulation in the CDM registry, VERRA registry, Gold Standard impact registry or a national registry for purposes other than retirement;”;

(d) by the insertion after the definition of “CDM project” of the following definitions:

“‘**CDM registry**’ means an electronic database system in which the issuance and distribution of certified emission reductions relating to CDM projects are recorded maintained by the secretariat established under Article 8 of the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

‘**certificate of voluntary cancellation**’ a document issued by the CDM, VERRA, Gold Standard or a national registry certifying that a carbon

credit has been cancelled for the purpose of being used in the South African carbon tax offset scheme;”;

- (e) by the insertion after the definition of “gold standard” of the following definition:
“**Gold Standard Impact Registry**’ means the public registry maintained by the Gold Standard to track carbon credits;”;
- (f) by the insertion after the definition of “listing confirmation” of the following definition:
“**national registry**’ means a registry implemented and maintained by a government that is a party to Annex B to the Kyoto Protocol to the United Nations Framework Convention on Climate Change, containing accounts within which units are held in the name of the government or in the name of a legal entity authorized by the government to hold and trade units.”;
- (g) by the substitution for the definition of “VCS project” of the following definition:
“**VCS project**’ means a greenhouse gas reduction program voluntarily entered into that is registered in the VERRA registry in respect of which a verified carbon unit is issued;”;
- (h) by the insertion of the following definition after the definition of “sequesterate”:
“**VERRA**’ means the non-profit non-governmental association, registered as a non-profit corporation under the laws of the District of Columbia (Washington, DC, USA), that administers the VCS program;”;
- (i) by the deletion of the definitions of “VCS project database” and “VCS registry system”; and
- (j) by the addition of the following definition
“**VERRA registry**’ means the central repository for all information and documentation relating to projects using VERRA programs.”.

Amendment of regulation 3 of the Regulations

3. Regulation 3 of the Regulations is hereby amended by the addition to subregulation (1)(c) of the following subparagraph:

- “(iii) for all offsets in respect of activities other than agriculture, forestry and other land use and agricultural land management exclusively

in respect of nitrous oxide, methane or fossil derived carbon dioxide, a period—

- (aa) of 7 years which period may be extended twice but not more than 21 years; or
- (bb) ten years which period may not be extended.”.

Amendment of regulation 8 of the Regulations

4. Regulation 8 of the Regulations is hereby amended by the substitution for paragraph (d) for the following paragraph:

“(d) submit to the administrator a certificate of voluntary cancellation.”.

Amendment of regulation 9 of the Regulations

5. Regulation 9 of the Regulations is hereby amended—

(a) by the substitution in paragraph (e) for subparagraphs (ii) and (iii) of the following subparagraphs:

- “(ii) a certificate of voluntary cancellation is in accordance with an agreement between government of the Republic and the applicable issuing standards;
- (iii) a statement contained in the certificate of voluntary cancellation referred to in subparagraph (ii), specifying that the request for voluntary cancellation is made for the purposes of utilising a carbon offset in accordance with these Regulations;”;

(b) by the substitution for paragraph (g) of the following paragraph:

“(g) issue a listing confirmation, reflecting the amount of credits indicated on the certificate of voluntary cancellation, upon successful listing of an offset in the offset registry.”.

Short title

6. These Regulations are called the Regulations under section 19 of the Carbon Tax Act and are deemed to have come into operation on 1 June 2019.