CLIMATE CHANGE BILL: WHAT YOU HAVE TO KNOW IN 2 MINUTES

Legal Updates

What is happening now: The Ministry of Natural Resources and Environmental Sustainability (NRES) is currently seeking feedback on the proposed Climate Change Bill/Rang Undang-Undang Perubahan Iklim Negara (RUUPIN), as outlined in the consultation paper issued on October 4th. Access the consultation paper here: **https://t.ly/1UsCl**.

Objective: The RUUPIN aims to establish a comprehensive legal framework for climate change in Malaysia. It will facilitate the transition to a low-carbon economy, strengthen climate resilience, establish a regulatory entity, institutionalise climate change governance, enable compliance mechanisms, and promote emission reduction.

Overview of the RUUPIN:

Part 1: Definitions
- Provide clear definitions for greenhouse gases and related terms.
- Ensure consistency with existing regulations.

Part 2: Setting of National Targets and Monitoring
- Set national emissions reduction targets aligned with Nationally Determined Contribution (NDC) and Long-Term Low Emissions Development Strategies (LT-LEDS).
- Monitor implementation of targets to ensure they are met.

Part 3: Establishment of Regulatory Entity
- Establish a regulatory entity to administer the Climate Change Act.
- Focus on implementation, enforcement, and stakeholder coordination.
- Key functions include emission reduction mechanisms, data management, market-based initiatives, and climate promotion.

Part 4: Development of National Integrated Climate Data Repository (NICDR)
- Establish a centralized system for climate data collection and reporting.
- Store, analyse, and track climate data.
- Mandate data submission from various sectors and states.

Part 5: Regulations of Carbon Trading Mechanism
- Regulate carbon trading mechanisms, including international transfers and domestic emissions trading.
- Establish a domestic emissions trading scheme with emission thresholds.
- Develop criteria for participation in the Domestic Emissions Trading Scheme (ETS).

Establishing a National Registry for Climate Change
- Establish a robust NRCC to facilitate participation in the global carbon market.
- Prioritise development of Measurement, Reporting, Verification (MRV) and Monitoring & Evaluation (M&E) systems to enhance transparency, efficiency, and trust.
- Enable collaboration and potential linking with other market mechanisms.
- Track and record issuance, trading, and retirement of carbon credits.

Part 6: National Climate Fund
- Establish a fund to address the funding gap for climate change initiatives.
- Source funds from various sources, including government budgets, fees, and international financing.
- Use funds to support climate change actions, research, education, and awareness programs.
- Contribute data to the Biennial Transparency Report.

Part 7: Reporting
- Fulfill reporting obligations under the UNFCCC and Paris Agreement.
- Establish reporting deadlines, methodologies, and standards.
- Focus on GHG emissions, climate impacts, mitigation, and adaptation efforts.
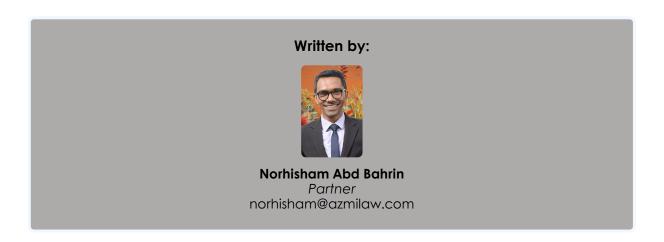
Part 8: Compliance and Enforcement
- Implement a compliance mechanism to ensure adherence to RUUPIN's objectives.
- Focus on mandatory reporting, emissions trading scheme requirements, and other regulations.
- Enforce compliance through incentives and penalties.

Part 9: General Provisions
- Provide legal protection to enforcement units.
- Require Public Prosecutor's approval for legal proceedings.
- Enforce punitive measures against individuals and entities committing offenses.
- Define the scope of liabilities for individuals, employees, and corporate entities.
- Empower the minister to make regulations regarding penalties and other measures.

What will happen next: The Ministry is seeking feedback from stakeholders to refine the RUUPIN. All comments will be considered and the legislative details may be amended. Further engagements and a regulatory impact assessment will be conducted before the draft RUUPIN is submitted to the Attorney General's Chambers and then to Parliament.

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