

## MEDIA STATEMENT

### SOUTH AFRICAN CARBON OFFSETS ADMINISTRATION

DATE: 22 JULY 2020


On the 29 November 2019, the National Treasury gazetted regulations on Carbon Offsets under section 19 of the Carbon Tax Act, No 15 of 2019. The Carbon Offsets regulations were deemed effective as of 1 June 2019. Through the regulations, Government is desirous to provide a flexibility mechanism that will enable industry to deliver least cost mitigation at a lower cost to what would be achieved in their own operations, and thereby lower their tax liability. Furthermore, Government is desirous to incentivise mitigation in economic sectors or in relation to activities that are not directly subject to the carbon tax or benefiting from other government incentives.

The Regulations further provide an offset mechanism that may be utilised to develop carbon offsets projects to enable reduction in respect of carbon tax liability. The Department of Mineral Resources and Energy (DMRE) as the administrator of the Carbon Offset Administrator hereby activates the Carbon Offset Administration System (COAS) to be live as of **23 July 2020**. Regulation 5 under Part IV designates the Director General as the administrator or the official to whom the Director General may delegate to exercise power and discharging of responsibilities conferred by these regulations to act as an administrator for the purposes of these Regulations.

To date, the DMRE in preparation for the discharging of its responsibilities as conferred by the Regulations has developed the Carbon Offsets Administration System, tested and ready for full implementation. In brief, the COAS will facilitate receipt and approval of project applications as well as the issuance of the offset retirement certificates as required by carbon tax payers to claim the carbon offset allowance under the Carbon Tax Act.

#### Social Media Accounts:

 <https://www.facebook.com/DoERSA>

 [Twitter: @DMRE\\_ZA](https://twitter.com/DMRE_ZA)

 [Instagram: @doesouthafrica](https://www.instagram.com/doesouthafrica)

The DMRE invites all the relevant participants as outlined by the Carbon Offsets Regulations to register on the system to enable the submission of project applications for further processing. Please visit [carbon.energy.gov.za](http://carbon.energy.gov.za) for the registration process.

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*Issued by the Department of Mineral Resources and Energy*