

Unofficial Translation*

**Regulation of the Board of Directors of Thailand Greenhouse Gas Management Organization
re: rules for registration of purchases, sales, and transfers of carbon credits,
B.E. 2565 (2022)**

Whereas it is expedient to prescribe rules, procedures, and conditions regarding registration of purchases, sales, and transfers of certified amounts of greenhouse gases from greenhouse gas reduction projects, as well as the execution of any other transactions relating to certified amounts of greenhouse gases, and in order to comply with the carbon credit management guideline and mechanism prescribed by the National Committee on Climate Change Policy;

By virtue of the provisions of section 24 (4) of the Public Organizations Act, B.E. 2542 (1999), as amended by the Public Organizations Act (No. 2), B.E. 2559 (2016) and section 20 (2) (5) (g) of the Royal Decree Establishing the Thailand Greenhouse Gas Management Organization (Public Organization), B.E. 2550 (2007), as amended by the Royal Decree Establishing the Thailand Greenhouse Gas Management Organization (Public Organization) (No. 2), B.E. 2562 (2019) and the decision made at the 3/2022 meeting of the Board of Directors of Thailand Greenhouse Gas Management Organization on 25 March 2022, the Board of Directors of Thailand Greenhouse Gas Management Organization hereby issues the regulation as follows:

* Translation by Baker & McKenzie Ltd. for Thailand Greenhouse Gas Management Organization (Public Organization) – Provisional version – subject to final authorization by Thailand Greenhouse Gas Management Organization (Public Organization). Version as of 25 January 2023. Edited by Legal Affairs Unit, Thailand Greenhouse Gas Management Organization (Public Organization).

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Clause 1. This Regulation is called the "Regulation of the Board of Directors of Thailand Greenhouse Gas Management Organization re: rules for registration of purchases, sales, and transfers of carbon credits, B.E. 2565 (2022)."

Clause 2. This Regulation will come into force from the day following the date of its announcement.

Clause 3. In this Regulation:

"Carbon credits" means the amounts of greenhouse gases, expressed in metric tonnes of carbon dioxide equivalent (tCO₂eq), that can be reduced or removed as a result from the implementation of a greenhouse gas reduction project, which are certified and issued in the carbon credit registry system;

"Transfer of carbon credits" means a transfer of carbon credits from one account in the carbon credit registry system to another account in the carbon credit registry system;

"Carbon credit registry system" means an electronic system or any other system for recording holding, transfer, acquisition, cancellation, and use of carbon credits, as well as for creating, transmitting, receiving, and storing any other data for the execution of carbon credit transactions, which is managed by the Organization;

"Carbon credit exchange" means a center or any form of network established for trading of carbon credits by means of matching or pairing buyers and sellers of carbon credits or provision of a system or facilitation whereby those intending to purchase or sell carbon credits may reach agreements or matching contractual parties, conducted in the normal course of trade;

"Carbon offset certification mark" means a carbon offset certification mark according to the rules regarding consideration and granting of permission for use of a carbon offset certification mark, as prescribed by the Board of Directors, and shall also include any other certification relating to the use of carbon credits to offset greenhouse gas emissions;

"Carbon credit transaction" means any act relating to delivery of carbon credits under a carbon credit trading agreement or filing of an application to transfer or cancel carbon credits, as well as any other act that constitutes creation, transmission, and receipt of data via the carbon credit registry system;

"Registrar" means an official of the Organization appointed by the Executive Director to perform duties as the registrar of the carbon credit registry system.

"Organization" means the Thailand Greenhouse Gas Management Organization (Public Organization);

"Executive Director" means the Executive Director of Thailand Greenhouse Gas Management Organization;

"Board of Directors" means the Board of Directors of Thailand Greenhouse Gas Management Organization;

"Person" means a natural or juristic person.

Clause 4. Registration of a purchase, a sale, or a transfer of carbon credits, issuance of certified carbon credits, and recording of the use of carbon credits shall be done through the carbon credit registry system according to the rules, procedures, and conditions prescribed herein.

Clause 5. The Executive Director shall have the powers to issue notifications or orders regarding management of the carbon credit registry system, maintenance of security of the carbon credit registry system, and execution of transactions in the carbon credit registry system, as well as any other acts for compliance with this regulation.

Clause 6. This regulation shall not apply to any application for issuance of carbon credits and any purchase, sale, transfer, and use of carbon credits which has been made or applied for prior to the date on which this regulation comes into force.

Clause 7. The Executive Director shall have charge and control of the execution of this regulation.

In case of a problem regarding implementation of this regulation, the Executive Director shall refer to the Board of Directors for a decision. The Board of Directors' decision shall be deemed final.

Chapter 1

Opening of an account in the carbon credit registry system

Clause 8. The following persons may file an application to open an account in the carbon credit registry system:

- (1) greenhouse gas reduction project developers or owners;
- (2) the persons who intend to buy or acquire carbon credits for use in offsetting greenhouse gas emissions in applying for carbon offset certification marks, certifications, or any rights or privileges under the measures or any other projects of state agencies; or for voluntary cancellation of carbon credits; or for any other purposes as specified by the Board of Directors; and
- (3) the persons who acquire carbon credits from a carbon credit exchange or any other electronic system provided by the Organization.

Clause 9. The persons under clause 8 who intend to open an account in the carbon credit registry system shall file an application, together with the relevant documents and evidence as described below to the Organization via an electronic system provided by the Organization.

- (1) For a natural person:
 - (a) an application letter for opening an account, with a specification of an email address for use with the carbon credit registry system, in the form prescribed by the Organization;
 - (b) details of the national identification card or passport, or any other authentication method provided or accepted by the Organization; and
 - (c) any other documents or evidence supporting the application letter for opening an account.
- (2) For a juristic person, group of persons, or body of persons:
 - (a) an application letter for opening an account, signed by a person authorized to act on behalf of the juristic person, group of persons, or body of persons, and specifying the name of its representative or attorney-in-fact who is authorized to execute transactions in the carbon

credit registry system, as well as an email address for use with the carbon credit registry system, in the form prescribed by the organization;

(b) details of the certificate of registration of a juristic person or a juristic partnership, the business license under the foreign businesses law, the letter demonstrating establishment of a body of persons or group of persons, and/or the evidence of establishment of an organization or agency under the law;

(c) a power of attorney signed by an authorized signatory if an attorney-in-fact is empowered to execute transactions in the carbon credit registry system, together with details of the national identification cards or passports of the authorizer and the attorney-in-fact, or any other authentication method provided or accepted by the Organization; and

(d) any other documents or evidence supporting the application letter for opening an account.

Clause 10. The Organization shall examine the correctness of an application and the completeness of the documents and evidence submitted along with an application under clause 9.

If the application is not correct or any document or evidence is not submitted, the Organization shall notify the applicant thereof and advise the applicant to rectify and re-submit its application, or complete the documents or evidence, **within fifteen business days from the date of obtaining notice from the Organization.** If the Organization is of the view that the re-submitted application is correct, or the documents or evidence obtained are complete, the date the application is re-submitted shall be deemed to be the date on which the Organization obtains the application.

If the applicant fails to rectify and re-submit the application, or to deliver the documents or evidence required by the Organization under paragraph two, without providing additional information or clarifying the reasons to the Organization within the prescribed timeframe, the Organization has the right to cancel the application and remove it from the consideration process and gives the reason for that cancellation to the applicant.

Clause 11. The Organization shall open an account for the applicant in the carbon credit registry system **within fifteen business days from the date of obtaining the application, together with complete documents and evidence**, and notify the applicant thereof.

Chapter 2

Issuance of certified carbon credits

Clause 12. When the Board of Directors made a decision to certify the amounts of greenhouse gases which are the result of greenhouse gas reduction from greenhouse gas reduction projects registered with the Organization, the registrar shall issue the certified carbon credits in the accounts of the project developers or the project owners in the carbon credit registry system **within ten business days from the date the Board of Directors made a decision to certify the amounts of greenhouse gases**. The application for certification of the amounts of greenhouse gases from a greenhouse gas reduction project registered with the Organization shall be in accordance with the regulation of the Board of Directors regarding rules for consideration of voluntary greenhouse gas reduction projects in accordance with Thailand standards (T-VER).

The information of carbon credits recorded in the carbon credit registry system under paragraph one consists of the carbon credit serial number, the type of carbon credits, the year in which the greenhouse gas reduction occurs, and the greenhouse gas reduction project that gives rise to the greenhouse gas reduction. The Organization shall publish details regarding the definitions, the classification methods, and other details on the information of the carbon credits shown in the carbon credit registry system.

Chapter 3

Execution of carbon credit transactions

Clause 13. Carbon credit transactions shall be executed through the carbon credit registry system, or any other electronic system provided by the Organization.

Clause 14. Registration of a purchase, a sale, or a transfer of carbon credits and recording of the use of carbon credits shall be performed by the registrar through the carbon credit registry system, using the methods as follows:

(1) registering the sale, purchase, or transfer of carbon credits by means of transfer of carbon credits from an account of a holder of carbon credits in the carbon credit registry system to an account of an acquiror of carbon credits in the carbon credit registry system; or

(2) recording the use of carbon credits by means of cancellation, by transferring carbon credits from an account of the user of carbon credits to a specific account managed by the Organization for the purpose of retiring carbon credits upon the use of carbon credits for offsetting greenhouse gas emissions, for the receipt of payment based upon the result of greenhouse gas reduction (result-based payment), or for any other purposes including voluntary cancellation of carbon credits.

Clause 15. An account holder who intends to file an application with the registrar in order to transfer or cancel carbon credits shall file an application via the carbon credit registry system, or any other electronic system provided by the Organization, and specify the following information:

(1) the carbon credits in the account that it intends to transfer or cancel, by specifying the amount of carbon credits, the type of carbon credits, the year in which the greenhouse gas reduction occurs, and the greenhouse gas reduction project that gives rise to the greenhouse gas reduction, that it intends to transfer or cancel;

(2) an account to which the carbon credits are to be transferred to, or the objective of the use or cancellation of the carbon credits;

(3) for cancellation of carbon credits, the documents or evidence regarding the objective of the use or cancellation of the carbon credits; and

(4) any other information specified by the Organization.

Clause 16. The registrar shall examine the correctness and completeness of an application under clause 15 and take any of the following actions **within five business days from the date of obtaining the application**:

(1) transfer or cancel carbon credits in the carbon credit registry system according to the application;

(2) if the application of not complete, give notice of its refusal to take action according to the application, together with the reason thereof, to the applicant; or

(3) inform the applicant to present additional information or evidence, if necessary, for the purpose of examining the completeness of the application, or for security in executing transactions in the carbon credit registry system, or to prevent an unfair act regarding trading of carbon credits according to the guideline established by the Organization. The applicant shall present additional information or evidence to the registrar **within five business days from the date of obtaining notice from the registrar**. The registrar shall consider the information and evidence and take action as described under item (1) or (2) **within five business days from the date of obtaining complete information or evidence**.

Clause 17. Examination of the completeness of an application under clause 15 includes the following examination:

(1) the applicant has carbon credits that it intends to transfer or cancel in its account in the registry system;

(2) for cancellation of carbon credits, the applicant has complied with the applicable rules, procedures, and conditions regarding the objective of the use of the carbon credits; and

(3) the transfer or cancellation of carbon credits according to the application is consistent with any other rules, guidelines, terms, or conditions prescribed by the Board of Directors or the Organization under clause [21][†] and clause 5.

Clause 18. Any person who intends to offer carbon credits for sale on a carbon credit exchange shall file an application under clause 15 to transfer carbon credits from an applicant's

[†] Correction of cross-referencing in the original Thai text.

account to a specific account in the carbon credit registry system that serves as an account for deposit of carbon credits for the purpose of executing transactions on the carbon credit exchange.

If the registrar receives notice of withdrawal of an offering for sale of carbon credits by the applicant under paragraph one from the operator of the carbon credit exchange, the registrar shall transfer carbon credits from the account for deposit of carbon credits in the carbon credit registry system back to the applicant's account in the carbon credit registry system **within five business days from the date of obtaining notice from the applicant.**

Clause 19. When the registrar obtains notice of trading of carbon credits via a carbon credit exchange and the intention of the carbon credit buyer to use these carbon credits, or to remove them from the carbon credit exchange, from the operator of the carbon credit exchange, the registrar shall register trading of these carbon credits **within five business days from the date of obtaining notice from the operator of the carbon credit exchange** by transferring the carbon credits from the account for deposit of carbon credits in the carbon credit registry system to the buyer's account in the carbon credit registry system.

Clause 20. Carbon credits that are used to offset greenhouse gas emissions, or for any other purposes, must be cancelled in the carbon credit registry system and cannot be doubled claimed, or further traded, transferred, or disposed of by other means.

Clause 21. For the purpose of protecting buyers and sellers of carbon credits, maintaining the market stability of carbon credit trading, as well as the reliability, transparency, and fairness in the trading of carbon credits, the Board of Directors may prescribe additional rules and conditions regarding the purchase, sale, and holding of carbon credits, including any other acts pertaining to the claims to carbon credits, as appropriate.

Chapter 4

Suspension of an account in the carbon credit registry system

Clause 22. The use of an account in the carbon credit registry system may be suspended for any of the following causes:

- (1) an account holder acts in violation of this regulation;
- (2) an account holder is in arrears with payment of service fees; or
- (3) any other causes as additionally prescribed by the Board of Directors.

Clause 23. When the Organization discovers any cause under clause 22, the Organization shall give a warning to the account holder to take remedial action or otherwise act to extinguish the cause under clause 22 **within five business days from the date of obtaining notice from the Organization.** After this period expires and the cause under clause 22 still exists, the Organization has the right to suspend the use of that person's account in the carbon credit registry system.

If the account holder who is subject to suspension of the use of its account in the carbon credit registry system has taken action that extinguishes the cause of suspension of the use of that account or has complied with this regulation or the Board of Director's order, the Organization shall reactivate that account.

Chapter 5

Closure of an account in the carbon credit registry system

Clause 24. An account holder who wishes to close its account in the carbon credit registry system shall file a request, together with a letter of intent to close an account in the form prescribed by the Organization, to the Organization via the electronic system provided by the Organization.

Clause 25. The Organization shall consider the request and close the applicant's account in the carbon credit registry system **on the tenth business day following the date of filing the application.**

During the period under paragraph one, the account holder may not execute any transactions in the carbon credit registry system.

In case a requester under clause 24 wishes to cancel its request to close an account, a request for cancellation, together with a letter of intent to cancel the closure of an account in the form prescribed by the Organization, shall be filed with the Organization via an electronic system provided by the Organization **within five business days from the date of filing the application under clause 24.**

Clause 26. If an account holder who submits the request to close an account in the carbon credit registry system does not file an application to transfer or cancel carbon credits in its account prior to the closure of its account, it will be deemed that the account owner wishes to cancel the remaining carbon credits in that account. When the account in the carbon credit registry system is closed, the registrar shall cancel the remaining carbon credits in that account and issue certification of cancellation of the carbon credits to the account holder.

Chapter 6 Service fees

Clause 27. The Organization shall collect the following service fees at the rates prescribed by the Board of Directors in accordance with the law establishing Thailand Greenhouse Gas Management Organization (Public Organization):

- (1) a service fee for maintaining an account in the carbon credit registry system; and
- (2) service fees relating to the execution of transactions in the carbon credit registry system as specified by the Board of Directors to be collected by the Organization.

Clause 28. A service fee for maintaining an account in the carbon credit registry system shall be exempted for the year 2022.

Announced on 7th April B.E. 2565 (2022)

(Mr. Wijarn Simachaya)

Chairman of the Board of Directors of Thailand Greenhouse Gas
Management Organization