

Singapore's deal with Verra and Gold Standard enabling companies to offset taxable carbon emissions

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Singapore's [National Environmental Agency \(NEA\)](#) signed MOUs with both Gold Standard and Verra this week, which enables Singapore-based companies to offset up to 5% of their taxable carbon emissions with each verification body's carbon credits. The deal facilitates Singapore's Nationally Determined Contributions (NDCs) to the Paris Agreement by opening access to the international voluntary carbon market.

The carbon emissions MOU and the Paris Agreement

The MOUs (Memorandums of understanding) between the NEA and [Verra](#) and between NEA and [Gold Standard](#) facilitate Singapore's alignment with Article 6 of the Paris Agreement. Article 6 highlights the path for countries towards net-zero through international transferred mitigation outcomes, or carbon offset trading on the voluntary carbon market.

With the agreement, Singapore-based companies are able to purchase Gold Standard carbon credits and Verra's credits from their Verified Carbon Standard (VCS) program in lieu of paying taxes on their carbon emissions. In this way, companies' funds go directly towards investment in carbon reduction solutions.

Singapore's NEA and the Carbon Pricing Act

The Carbon Pricing Act 2018, or the CPA, requires business facilities to pay a \$5 tax for each tonne of carbon dioxide or equivalent emitted. The CPA also offers these companies to purchase \$5 carbon credits, each representing one tonne of greenhouse gases reduced or removed from the atmosphere.

When a Singaporean company cancels a number of carbon credits, these credits are removed from their registry for the associated carbon-emitting facility and they are treated as having paid tax on the equivalent volume of greenhouse gas emissions.

The importance of verifying carbon credits

Verra's VCS and Gold Standard carbon credits are highly valuable as they are verified through a rigorous process of Standards, rules and requirements by both internal staff and independent auditors. Verification of carbon credits is essential to upholding the value of the carbon market, especially for investors for whom the integrity of the carbon credits is key.

Viridios AI offers a digital platform which allows you to filter carbon projects based on various criteria including Standards such as Verra and Gold Standard. To view more than 3,800 carbon projects and the Standards that they meet, register for a [free VAI trial](#) or [book a demo](#) with one of our carbon specialists.