

Bursa Carbon Exchange to Host First Local Auction for Carbon Credits

On 25 July 2024, Bursa Carbon Exchange (“**BCX**”), a wholly owned subsidiary of Bursa Malaysia Berhad (“**Bursa Malaysia**”), will mark a significant milestone by hosting its auction of Malaysian carbon credits. The offering signifies the first Malaysia nature-based carbon project in the BCX.

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The carbon credits are derived from the Kuamut Rainforest Conservation Project (“**Kuamut Project**”), which is located in Sabah, Malaysia. The project area is known to support high populations of orangutan, elephants, and endangered bird species. Furthermore, the Kuamut Project saw its maiden issuance of verified carbon units in March under the globally recognised Verra’s Verified Carbon Standard, leading to an approximate annual emission reduction of 800,000 tonnes of carbon dioxide equivalent.

As part of global climate action, carbon credits have been introduced as measurable and verifiable emission reductions from certified climate projects which reduce greenhouse gas emissions. In voluntary carbon markets, companies can choose to purchase carbon credits from entities that reduce greenhouse gas emissions to compensate for their own greenhouse gas emissions. They operate like permission slips for the emission of one ton of carbon dioxide or the equivalent of other greenhouse gasses in the atmosphere per credit. When a credit is used, the end-buyer may offset the credit against its carbon footprint, and such credit is no longer tradeable.



A briefing on the auction will be held on 16 May 2024. Interested participants can register [here](#).

The auction is another step in support of Malaysia's commitment to the energy transition. The media release on the auction by Bursa Malaysia, dated 13 May 2024, can be accessed [here](#).

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