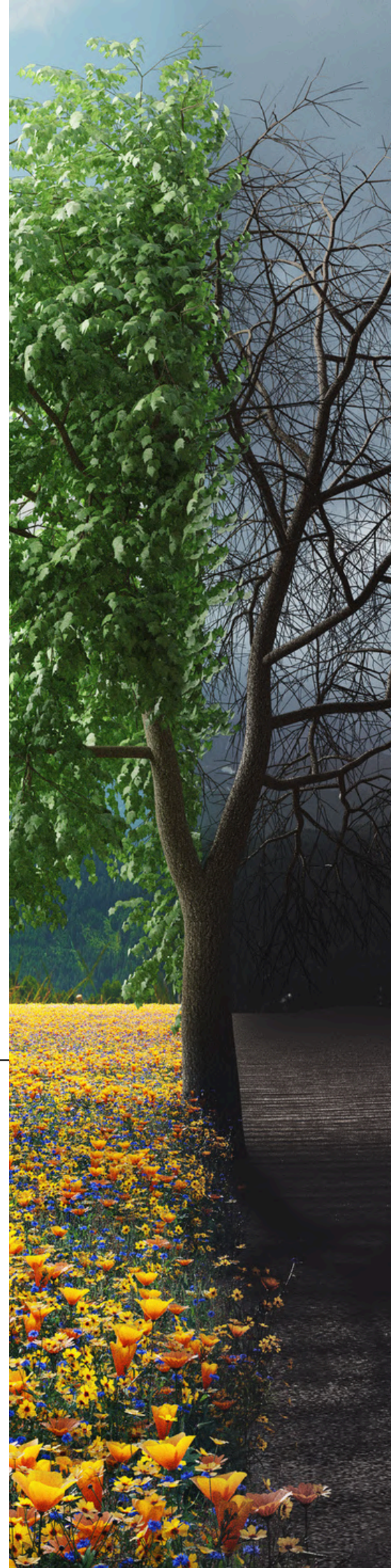


Have Your Say on the Climate Change Bill

Hot on the heels of the release of the National Climate Change Policy 2.0 on 30 September 2024, the Ministry of Natural Resources and Environmental Sustainability of Malaysia (“**NRES**”) issued a Consultation Paper on 4 October 2024, inviting public feedback on the proposed Climate Change Bill (“**RUUPIN**”) with a one-month window for submissions.

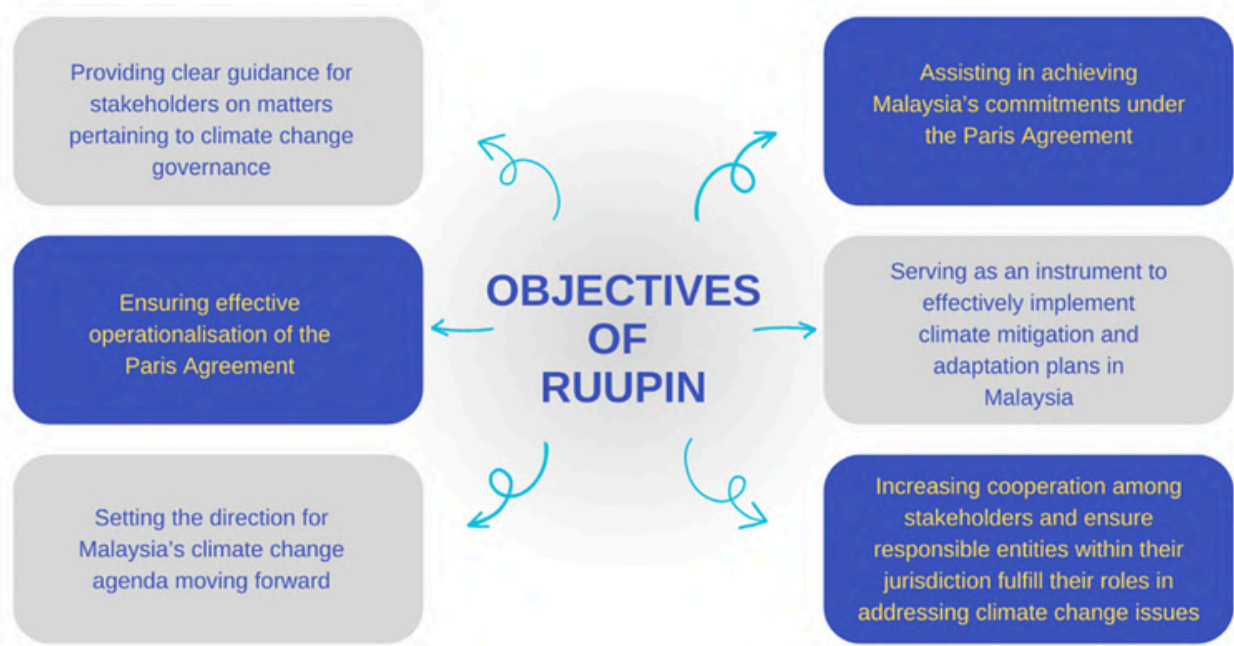
Currently, Malaysia lacks specific climate change legislation. Given the obligations under the United Nations Framework Convention on Climate Change (“**UNFCCC**”) and the Paris Agreement, to which Malaysia is a signatory, as well as pursuant to the 12th Malaysia Plan, the NRES is developing the RUUPIN to strengthen Malaysia’s climate governance at both local and international levels.

“The Consultation Paper is more than just a formality, but a call to action for those concerned about what lies ahead for our planet.”



Objectives of RUUPIN

The RUUPIN is intended to serve as an umbrella legislation governing relevant climate change-related issues and providing a supporting framework for future climate-related legislation and regulations by:



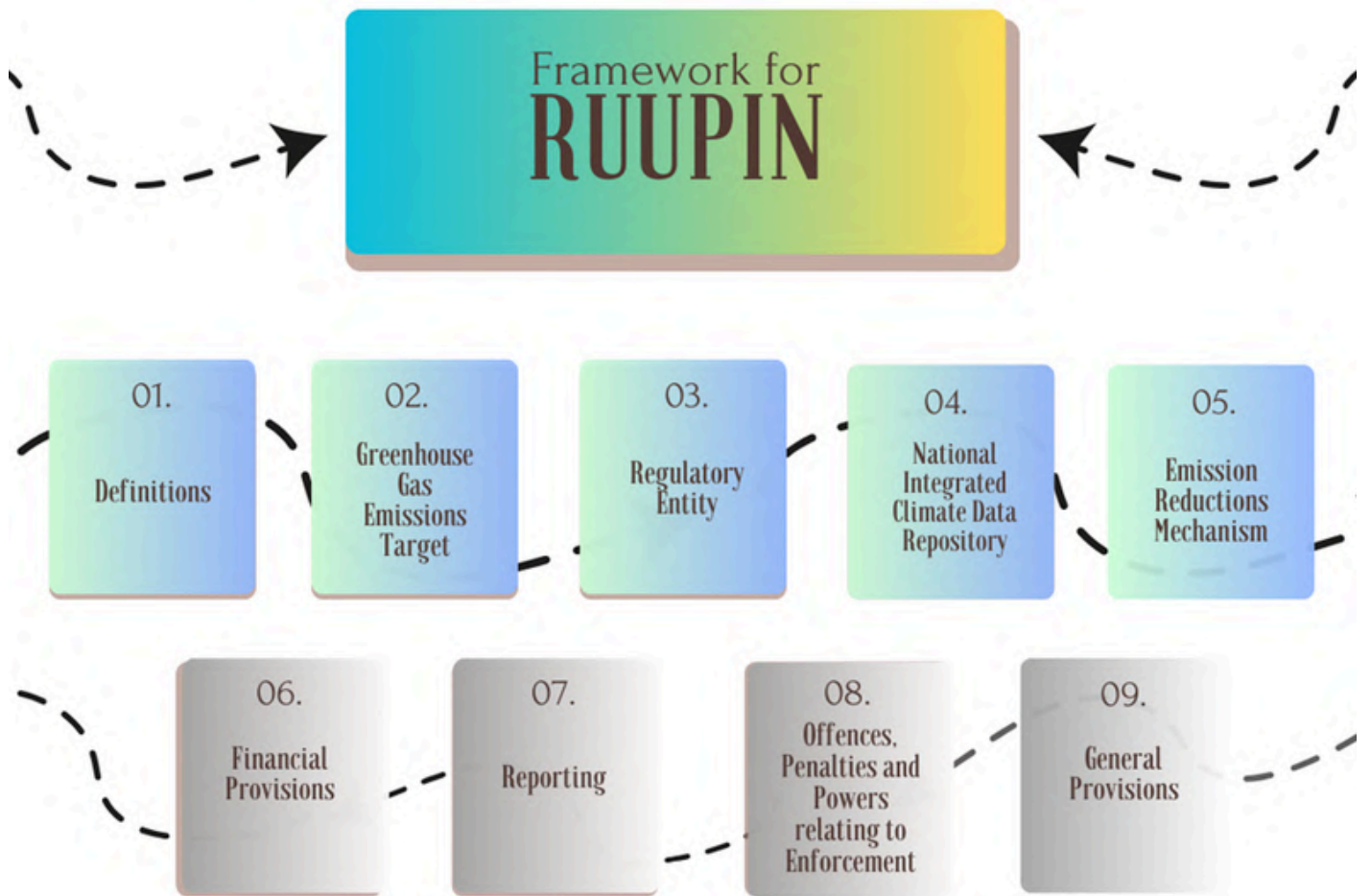
Guiding Principles of RUUPIN

At this juncture, it remains open whether the RUUPIN will adopt a rules-based, principles-based, or hybrid approach. A rules-based approach involves explicit, predetermined rules that ensure consistency, transparency, and predictability. In contrast, a principles-based approach uses broad guidelines and professional judgment to achieve goals, offering the flexibility to adapt to specific situations.



Proposed RUUPIN Framework

The NRES proposes that the RUUPIN framework will comprise the following nine parts:



The proposed framework aims to:

- (1) Set out essential definitions, such as greenhouse gases, carbon emissions, carbon credit units, carbon dioxide equivalent, etc;
- (2) Establish national targets, providing clear benchmarks for emission reductions and sustainable practices;
- (3) Establish a Regulatory Entity to administer, implement, and enforce the climate change legislation;
- (4) Develop a National Integrated Climate Data Repository to ensure the regular submission of climate-related data, progress toward targets, and financial disclosures;
- (5) Establish guidelines or regulations for carbon trading and emission trading schemes and other mechanisms to effectively reduce or offset emissions, as well as a National Registry for Climate Change to track and record the issuance, trading, and retirement of carbon credits and other emission reduction mechanisms;
- (6) Create a National Climate Fund to support climate change initiatives;
- (7) Set out reporting obligations and requirements; and
- (8) Develop compliance and enforcement mechanisms, including penalties, sanctions, and other measures.

The Consultation Paper outlines in further detail the key elements and purposes of each part of the proposed RUUPIN.

The RUUPIN will also empower the Minister to carry out critical functions relating to the aforesaid matters and to fulfil Malaysia's international commitments, in particular under the Paris Agreement.



STAKEHOLDERS

Moving Forward

The Consultation Paper is more than just a formality, but a call to action for those concerned about what lies ahead for our planet. Through public engagement, corporations and businesses can become active participants in the sustainable transition, and the feedback gathered from this consultation will play a crucial role in refining the Climate Change Bill, ensuring it addresses the needs and priorities of all stakeholders. Read more [here](#).

In light of the objectives and salient provisions of the proposed RUUPIN outlined in the Consultation Paper, corporations and businesses would also find it prudent to align their strategies and operations with the National Climate Change Policy 2.0, which serves as a precursor to the RUUPIN, in preparation for its eventual implementation.

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