Singapore Carbon Tax Checklist:

What every team needs to know

Singapore's **Carbon Pricing Act (CPA)** is a cornerstone of the nation's climate strategy. Since 2019, it has required facilities with 25,000 tonnes or more of direct greenhouse gas (GHG) emissions per year to measure, report, and pay a carbon tax.

In 2024, the tax increased fivefold to S$25 per tonne of CO_2e and will rise further to S$45 in 2026–2027 and S$50–80 by 2030. For many companies, this has transformed the carbon tax from a policy signal into a material cost centre and compliance obligation.

This playbook is designed to help your teams navigate compliance confidently, providing targeted checklists for three key corporate functions:

- **Sustainability Teams** → ensure accurate MRV
- **Procurement Teams** → source and manage credits
- **Finance Teams** → forecast, budget, and manage carbon prices

The final section offers a generic annual timeline — a quick reference to the key reporting and payment milestones that every liable facility must meet.

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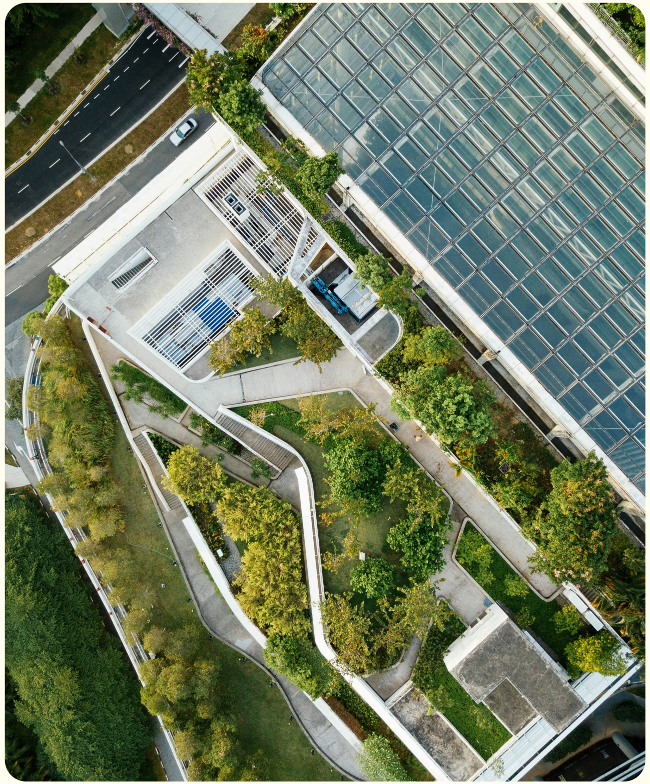
For Sustainability Teams

Focus: Ensuring accurate measurement of greenhouse gas (GHG) emissions, maintaining compliance with NEA's reporting requirements, and supporting the organisation's wider decarbonisation commitments.



Checklist

1. Confirm compliance foundations

☐ Verify whether the facility exceeds the 25,000 tCO_2e threshold and is correctly registered in EDMA.

☐ Assign key roles (GHG Manager, Designated Representative) and prepare the Monitoring Plan (MP).

☐ Put in place QA/QC processes and train relevant staff.

2. Deliver annual reporting & verification

☐ Engage an NEA-accredited Third-Party Verifier (TPV) early.

☐ Submit the verified Emissions Report (ER) by 30 Jun (RY+1), endorsed by the CEO.

☐ Retain supporting data and verification records for at least 5 years.

3. Strengthen long-term value

☐ Monitor NEA updates on methodologies and benchmarks.

☐ Highlight abatement and efficiency opportunities to reduce future tax exposure.

For Procurement Teams

Focus: Ensuring that International Carbon Credits (ICCs) used for compliance are sourced responsibly and meets NEA's eligibility requirements.

Checklist

These focus areas are not chronological and are parallel responsibilities to be managed throughout the year.

Build sourcing foundations

☐ Review NEA's ICC Eligibility List, host-country LOPE (Letter of Positive Examination) requirements, and corresponding adjustment obligations.

☐ Identify and pre-qualify credible developers, brokers, and market platforms like CIX.

☐ Diversify suppliers, project types, and geographies to manage market and reputational risk.

Supplier management

☐ Build and maintain medium-term agreements to secure reliable ICC supply.

☐ Monitor credit quality and co-benefits (e.g. biodiversity, community impact) to support ESG reporting.

☐ Engage counterparties on delivery risk, verification standards, and contractual safeguards.

Annual compliance cycles

☐ Confirm ICC requirements with sustainability and finance, ensuring the 5% cap is not exceeded.

☐ Retire ICCs in eligible registries and submit Evidence of Retirement (EOR) by 31 Aug (RY+1).

☐ Maintain contracts, retirement records, and supporting documentation for audits.

Strategic alignment

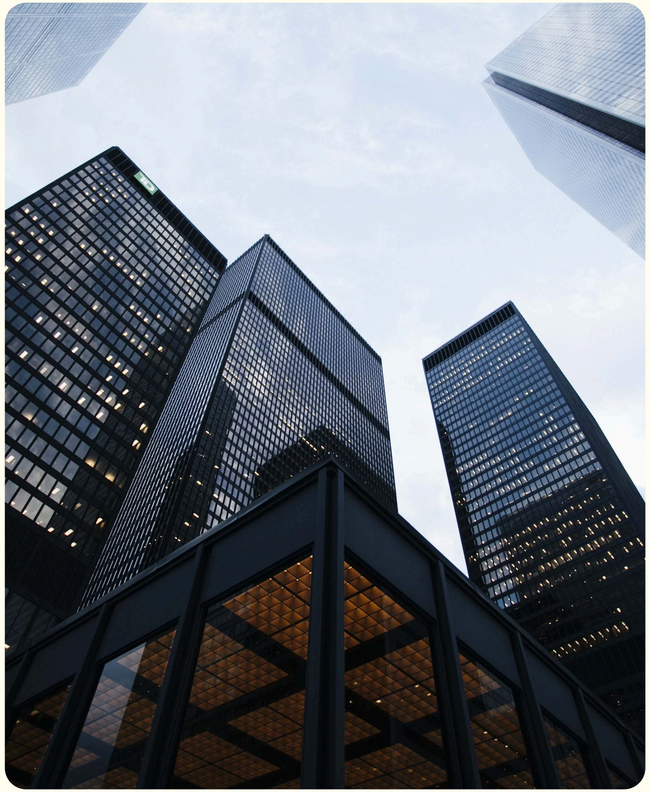
☐ Track NEA updates on eligibility and host-country agreements.

☐ Work with finance to assess cost-benefit of ICCs versus Fixed-Price Carbon Credits (FPCCs).

☐ Integrate ICC procurement into broader decarbonisation and voluntary offsetting strategies.

For Finance Teams

Focus: Managing the organisation's exposure to carbon tax, ensuring timely payment of obligations, and integrating future carbon costs into budgeting, reporting, and strategic planning.



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Financial oversight

☐ Review the carbon tax rate path (S$25/t$CO_2$e in 2024–25, S$45 in 2026–27, S$50–80 by 2030).

☐ Forecast liabilities based on verified emissions, minus allowances and ICC use.

☐ Validate facility-level reporting against financial disclosures.

Annual payment cycle

☐ Confirm annual Notice of Assessment (NOA) in EDMA to verify amounts payable.

☐ Ensure FPCC purchase and surrender by 30 Sep (RY+1).

☐ Maintain complete financial records of FPCC and/or ICC costs for audit and disclosure.

Risk & Cost Management

☐ Work with procurement to compare ICC costs with FPCC purchases.

☐ Assess the financial effect of transition allowances (if applicable under EITE status).

☐ Build carbon cost scenarios into financial risk registers and sensitivity analyses.

Strategic Integration

☐ Incorporate carbon tax projections into operating budgets and capital planning.

☐ Report exposure to boards, investors, and regulators transparently.

☐ Align financial planning with the organisation's net-zero and sustainability commitments.

Annual Compliance Cycle

Compliance under Singapore's Carbon Pricing Act is an ongoing responsibility, but there are three critical milestones every Reporting Year (RY) that companies must meet in the following year (RY+1).

Sustainability Teams

30 June (RY+1): Mid-year reporting

Verified Emissions Reports (ERs) must be submitted through EDMA with CEO endorsement.

Procurement Teams

31 August (RY+1): ICCs

If applicable, credits must be retired in eligible registries and Evidence of Retirement (EOR) submitted to NEA.

Finance Teams

30 September (RY+1): Final settlement

FPCCs must be purchased and surrendered to meet remaining liabilities. The NOA should be reviewed to confirm obligations and allowances.

Together, we can maximise your climate impact.

CIX partners with corporates in Singapore to navigate the evolving carbon tax landscape, offering end-to-end solutions to support the integration of International Carbon Credits (ICCs) into compliance strategies. By combining our strategic insights and deep market expertise with our robust networks and operational capabilities, we translate your compliance requirements into a tangible procurement strategy.

Get started

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