



ENVIRONMENT (REDUCTION OF GREENHOUSE GASES EMISSION) ORDINANCE, 2023

**Guidelines for the Qualifications and Registration of Accredited External
Auditors Rules, 2025**

Natural Resources and Environment Board (NREB) Sarawak

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INTRODUCTION

The main objective of this guidelines is to provide explanations on the requirements of the Qualifications and Registration of Accredited External Auditors Rules, 2025 (referred thereafter as “the Rules”).

This guideline is intended for individuals or entities applying for accreditation as external auditors responsible for the verification of carbon emissions reports pursuant to the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 (hereinafter referred to as “the Ordinance”). This includes:

- (a) Independent auditors: Qualified individuals with relevant experience in environmental science, engineering, sustainability, or carbon emission verification.
- (b) Consulting firms or audit organizations: Firms specializing in environmental consulting or auditing services that seek to be accredited as external auditors for verifying greenhouse gas (GHG) emissions reports.
- (c) Professional bodies or associations: Entities that may be involved in providing certification or accreditation services for environmental auditors or have a role in developing industry standards.

Efforts are made to ensure that this document accurately interprets and covers all requirements and implementations of the Rules. However, if there are any requirements in the Rules not explained in this Guidelines, the users shall refer to the Natural Resources and Environment Board (NREB), Sarawak for clarification and the decision from the Controller of Environmental Quality (referred thereafter as “Controller”) shall be final.

1.0 CITATION AND COMMENCEMENT

The Rules has come into force on 1st May 2025.

The guidelines here shall be read together with the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 and the Rules pertaining to:

- (a) eligibility for registration as an Accredited External Auditor;
- (b) qualification for registration;
- (c) registration, suspension and cancellation of an Accredited External Auditor;
and
- (d) duties and responsibilities of an Accredited External Auditor.

2.0 INTERPRETATION

- 2.1 "Accredited external auditor" means any person registered with the Board as an accredited external auditor in accordance with Rules made hereunder.
- 2.2 "Accreditation" refers to the formal recognition that an individual, organization, or auditing body is authorized and competent to carry out the tasks related to verifying the accuracy, compliance, and reporting of GHG emissions.
- 2.3 "Auditor" refers to a qualified, independent individual or organization tasked with verifying, evaluating, and assessing the accuracy and compliance of GHG emissions reports.
- 2.4 "Certificate of Registration" refers to the official certificate issued by the Controller under the Rules.
- 2.5 "Compliance with Standards" refers to the duty of auditors to ensure that their verification processes follow internationally recognized frameworks and standards such as ISO 14064 and the GHG Protocol.
- 2.6 "Controller" has the same meaning assigned to it under the Natural Resources and Environment Ordinance [Cap. 84 (1958 Ed.)].
- 2.7 "Detailed Document Requirements" refers to a list of documents that applicants need to provide as part of the application process.
- 2.8 "Payment of Fees" refers to the fee charged for processing applications and issuing the certificate of registration, as outlined in the Second schedules.
- 2.9 "Register of Accredited External Auditors" refers to the official record maintained by the Controller, listing all accredited external auditors. This register is accessible to the public.

3.0 VERIFICATION OF CARBON EMISSION REPORT

3.1 A carbon emission report required to be submitted to the Controller under the Ordinance shall be verified by any person who:

- (a) is eligible for the registration under Rule 4;
- (b) possesses the qualifications stipulated in Rule 5; and
- (c) is registered with the Board under the Rules and his registration has not been suspended or cancelled.

3.2 The Controller may reject a carbon emission report that is not verified by a person who does not satisfy the requirements under Rule 3(1) and Guideline 3.1.

4.0 ELIGIBILITY FOR REGISTRATION

4.1 Eligibility for registration as an accredited external auditor:

- (a) Malaysian citizens or entities incorporated under the Companies Act 2016 **[Act 777]**, or a partnership registered under Limited Liability Partnerships Act 2012 **[Act 774]**, or any other recognized legal frameworks;
- (b) possesses the qualification for registration under Rule 5;
- (c) not an undischarged bankrupt or insolvent either within or outside Malaysia except with leave of the court;
- (d) has not been convicted any offence involving corruption or corrupt practices, fraud or dishonesty and has been sentenced either to a fine or more than ten thousand ringgit or imprisonment for a term exceeding three months; and
- (e) he or the limited liability partnership of which he is a member is not subject to any disciplinary proceedings or has been suspended or barred from the practice of his profession by any professional body established by law to regulate the practice, conduct and discipline of members of that profession whether within or outside Malaysia.

4.2 Non-Malaysian Applicants

- (a) Non-Malaysian applicants must establish a legal presence in Malaysia by incorporating and registering a limited liability partnership or company in compliance with Malaysian laws such as *Act 743* and *Act 777*; and

- (b) The partnership or company has a managing partner or managing director or chief executive officer who is Malaysian Citizen to be principally responsible for the performance of the duties and functions of an accredited external auditors stipulated under the Rules.

5.0 QUALIFICATIONS FOR REGISTRATION

5.1 Experience

Applicants must have at least three years of experience in verifying GHG emissions, demonstrating a thorough understanding of ISO 14064-3 or any other equivalent standards as may be determined by Board.

5.2 Educational Background

Applicants must hold a recognized tertiary qualification from the universities accredited or approved by Malaysia government in a relevant discipline such as environmental science, climate change, engineering, or relevant fields.

5.3 Professional Practice

Applicants must have practiced for at least three years in their field of study, ensuring that they possess practical, hands-on experience.

5.4 Knowledge in Climate Change

Applicants must have at least three years of professional practice specifically in climate change, which includes verifying GHG emissions reports for economic sectors listed in the First Schedule of the Ordinance. Experience in related climate projects, including carbon footprint assessments, emissions reduction, and sustainability planning, may be considered.

Refer to **Appendix 10 (Competency Requirement of an External Auditor)** for requirement of Auditors.

6.0 APPLICATION PROCESS

6.1 Application Form for Accredited External Auditor Registration.

Every applicant wishing to be registered as an accredited external auditor should comply with the following requirements:

- (a) The application form in **Appendix 1(a) and Appendix 1(b)** (New Registration for Firm / Individual) shall be completed. Similar form can also be downloaded from www.nreb.gov.my.
- (b) Duly completed form together with payment of fees and supporting documents specified under Guideline 6.2 shall be submitted to the Controller by post or email or any other form as maybe determined by the Controller.
 - (i) Postal Address:
Controller of Environmental Quality
Natural Resources and Environment Board (NREB) Sarawak
18th-20th Floor, Menara Pelita,
Jalan Tun Abdul Rahman Yakub, Petra Jaya,
93050 Kuching, Sarawak, Malaysia.
Tel: 082-447488, 319500
Fax: 082-312800
 - (ii) Email address:
webmaster@nreb.gov.my

Refer to **Appendix 6 and Appendix 7**: Flowchart for Application of Accredited External Auditor Process

6.2 Supporting Documents

Applicants must provide the following documentation to support their application:

- (a) Educational certificates and transcripts from recognised institutions.
- (b) Professional practice records detailing roles, responsibilities, and relevant projects.
- (c) GHG verification experience documentation, including project reports, work samples, and letters of reference from employers or clients.
- (d) Certification records for any relevant additional qualifications (if applicable). All documents must be certified and submitted in the prescribed format, whether in digital or physical form as determined by the Controller.

6.3 Payment of Fees

The fee covers the cost of processing the application and issuing the certificate as per **Second Schedule of the Rule (Appendix 2)**.

All fees must be paid online to the official NREB bank account:

Account Name : Natural Resources & Environment Board
Bank : RHB Bank
Account Number : 21121250079308

7.0 REGISTRATION AND ISSUANCE OF CERTIFICATE OF REGISTRATION

7.1 Notification of Result of Application

The result of the application will be informed in writing by the Controller.

7.2 Certificate of Registration

- (a) Upon being satisfied that the applicant has met all the requirements, the Controller shall issue a Certificate of Registration.
- (b) The Certificate of Registration shall be valid for ***one year*** from the date of issuance.
- (c) The Controller may impose terms and conditions on the registration, which the auditor must comply with to maintain their accreditation.

7.3 Renewal of Registration

- (a) A registered accredited external auditor intending to renew registration shall complete the renewal form in **Appendix 1(c) and 1(d)** **(Renewal of Registration for Firm / Individual)**, together with the payment of prescribed fees stipulated in the Second Schedule of the Rules and as listed in Appendix 2. The form can also be downloaded from www.nreb.gov.my.
- (b) Renewal may be denied in the event that the auditor fails to meet continuing professional development requirements, has not submitted necessary documentation, or has been in violation of the Ordinance's regulations. Renewal applicants shall be informed of any issues and be given an opportunity to rectify them within a specified timeframe.
- (c) Application for renewal must be submitted within *three (3) months before the expiration date* to avoid any lapses in certification, ensuring continuous accreditation.

- (d) Where an accredited external auditor fails to renew registration after six (6) months after expiry and is subsequently de-registered, the auditor shall not be permitted to reapply for registration for a period of twelve (12) months from the date of de-registration.
- (e) The Controller can approve renewals under similar or additional terms and conditions as deemed fit. This ensures that registered external accredited auditors remain in compliance with applicable standards and any future requirements as may be prescribed by the relevant authorities.
- (f) The Controller shall imposed late renewal fees as prescribed in the **Second Schedule** of the Rules and listed in **Appendix 2** of this guidelines on any renewal made within six months after the expiry of the Certificate of Registration.

Refer to Appendix 8 and 9: Flowchart for Renewal of Registration for Accredited External Auditor Process.

7.4 Return of Certificate

The Certificate of Registration must be returned to the Controller under the following circumstances:

- (a) Suspension or cancellation of the Certificate of Registration;
- (b) Expiry of the period of Certificate of Registration; and
- (c) Request by the Controller for the purpose of endorsements or amendments to the certificate.

7.5 Certificate Ownership

- (a) The Certificate of Registration is **non-transferable**.
- (c) If a registration is suspended, cancelled, or expires, the certificate shall be cancelled accordingly and returned to the Controller.
- (c) The return process can be initiated by contacting the Natural Resources and Environment Board Sarawak, and the certificate must be sent via registered mail or delivered in person or any method as determined by Controller.

8.0 REGISTER OF ACCREDITED EXTERNAL AUDITORS

The Register of Accredited External Auditors will be updated and made available for public inspection through both **physical** and **online** formats, subject to prescribed fee stipulated in the Second Schedule of the Rule, and as per **Appendix 2** of this guidelines.

9.0 SUSPENSION OF CERTIFICATE OF REGISTRATION

9.1 Grounds for Suspension and Cancellation

The Controller may suspend the Certificate of Registration of an accredited external auditor if the person:

- (a) is charged with any offence under the Ordinance or any rules made under it; and
- (b) has failed to comply with any provisions of the Ordinance and its subsidiary rules, or any terms and conditions specified in the Certificate of Registration.

9.2 Lifting the Suspension

- (a) Acquitted of the offence charged

Suspension will be lifted upon acquittal and payment of the prescribed fee stipulated in the Second Schedule of the Rules and as per **Appendix 2** of this guidelines.

- (b) Rectification of non-compliance

Suspension may be lifted if the auditor has rectified the non-compliance with any provisions of the Ordinance and its subsidiary rules, or any terms and conditions specified in the Certificate of Registration within a specified timeframe given by the Controller.

9.3 Overturned Convictions

If the conviction of the registration of accredited external auditor is overturned by an appellate court, the Controller may restore the registration.

10.0 CANCELLATION OF CERTIFICATE OF REGISTRATION

The Controller may cancel the registration of an accredited external auditor upon:

- (a) the death of the registered accredited external auditor;
- (b) if he is adjudged a bankrupt within or outside Malaysia;
- (c) if he does not fulfil the conditions which entitled him to be eligible to be registered under Rule 4;
- (d) if he is convicted of a criminal offence, other than that provided under Rule 4(1), and has been sentenced to imprisonment for a term exceeding three months;
- (e) if his registration was procured through wilful misrepresentation in his application for register or any documents in support thereof;
- (f) conviction of the offence charged with any offence under the Ordinance or any rules made hereunder; or
- (g) has failure to rectify the non-compliance as required under Rule 9(2)(b).

11.0 GENERAL PROHIBITION AGAINST CONFLICT OF INTEREST

In ensuring impartiality and preventing conflicts of interest, the accredited external auditor shall not verify carbon emission reports for any company where:

- (a) he, his spouse, or any of his children is an officer of the company;
- (b) his spouse, or any of his children is a shareholder of a corporation whose employee is an officer of the company; or
- (c) he is indebted to the company.

12.0 DUTIES OF AN ACCREDITED EXTERNAL AUDITOR

12.1 The Accredited External Auditor shall be an Independent Third-Party verifier for carbon emission report:

- (a) required for the purposes stated in section 6 of the Ordinance;
- (b) required under section 8 of the Ordinance for reduction or abatement of carbon emission to the threshold determined by Majlis Mesyuarat Kerajaan Negeri under section 8(1) of the Ordinance;
- (c) any report for voluntary reduction, abatement or capture of greenhouse gases which is required by the Controller to be verified under Section 9(5) of the Ordinance;
- (d) required for assessment of carbon levy under section 24 of the Ordinance;

- (e) be responsible for the accuracy and correctness of the facts stated verified in such reports; and
- (f) to comply with such international sustainability reporting framework or guidelines as may be adopted by Order made by the Board in the preparation of carbon emission report.

12.2 Compliance with Standards and Requirements

- (a) Auditors must comply with international sustainability reporting frameworks or guidelines as may be determined by the Board.
- (b) Auditors must ensure reports meet the requirements, accounting, and reporting standards outlined in the Ordinance, maintaining high standards of verification.

13.0 LIABILITY FOR INACCURATE, FALSE OR MISLEADING INFORMATION

- (a) Accredited External Auditors are liable for any false, misleading, or deceptive data or information in the reports they verify, ensuring accountability and integrity in the verification process.
- (b) It shall be an offence for an auditor if he/she submits report or documents containing facts, data, statement or information which is false, misleading or calculated to deceive the Controller.

14.0 CODE OF CONDUCT

- 14.1 The Code of Conduct shall be governed by *Code of Conduct for the Accredited External Auditors*.

15.0 ENQUIRIES

For further inquiries or clarification, please contact or write in or email to:

Controller of Environmental Quality

Natural Resources and Environment Board (NREB) Sarawak
18th-20th Floor, Menara Pelita,
Jalan Tun Abdul Rahman Yakub, Petra Jaya,
93050 Kuching, Sarawak, Malaysia.

Tel: 082-447488, 319500

Fax: 082-312800

E-mail Address: webmaster@nreb.gov.my

Appendix 2

Second Schedule

Fee

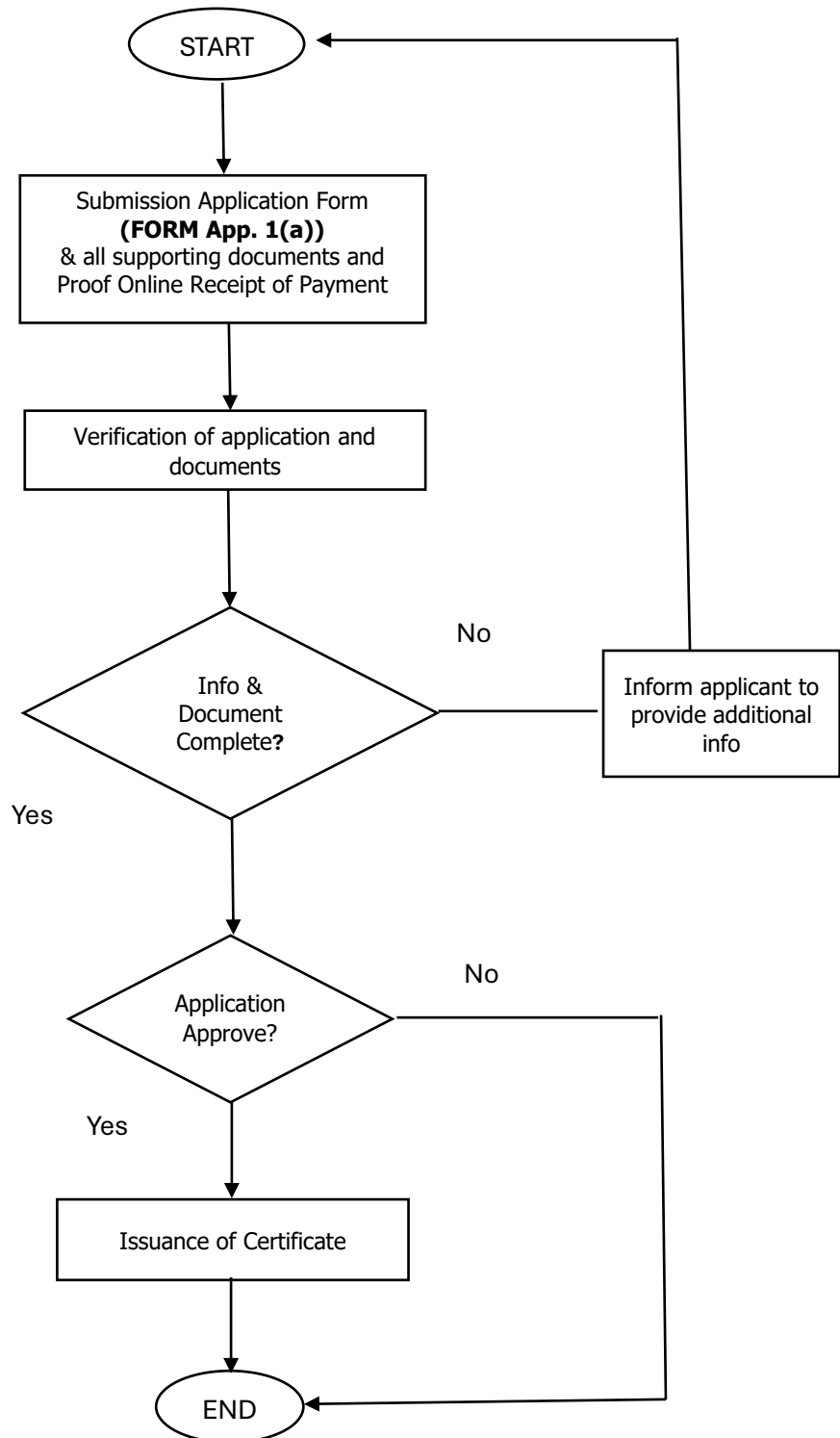
(Rules 6, 7, 8(3) and 9(2))

	<i>Item</i>	<i>Amount of Fees</i>
(i)	Application for Registration of Firm	RM7,500.00
(ii)	Application for Registration of Individual	RM2,500.00
(iii)	Application for Renewal of Registration of Firm	RM7,500.00
(iv)	Application for Renewal of Registration of Individual	RM2,500.00
(v)	Late Renewal of Registration of Firm	RM9,000.00
(vi)	Late Renewal of Registration of Individual	RM3,000.00
(vii)	Inspection of Register kept under Rule 8	RM1,000.00

Appendix 6 (Registration for Firm)

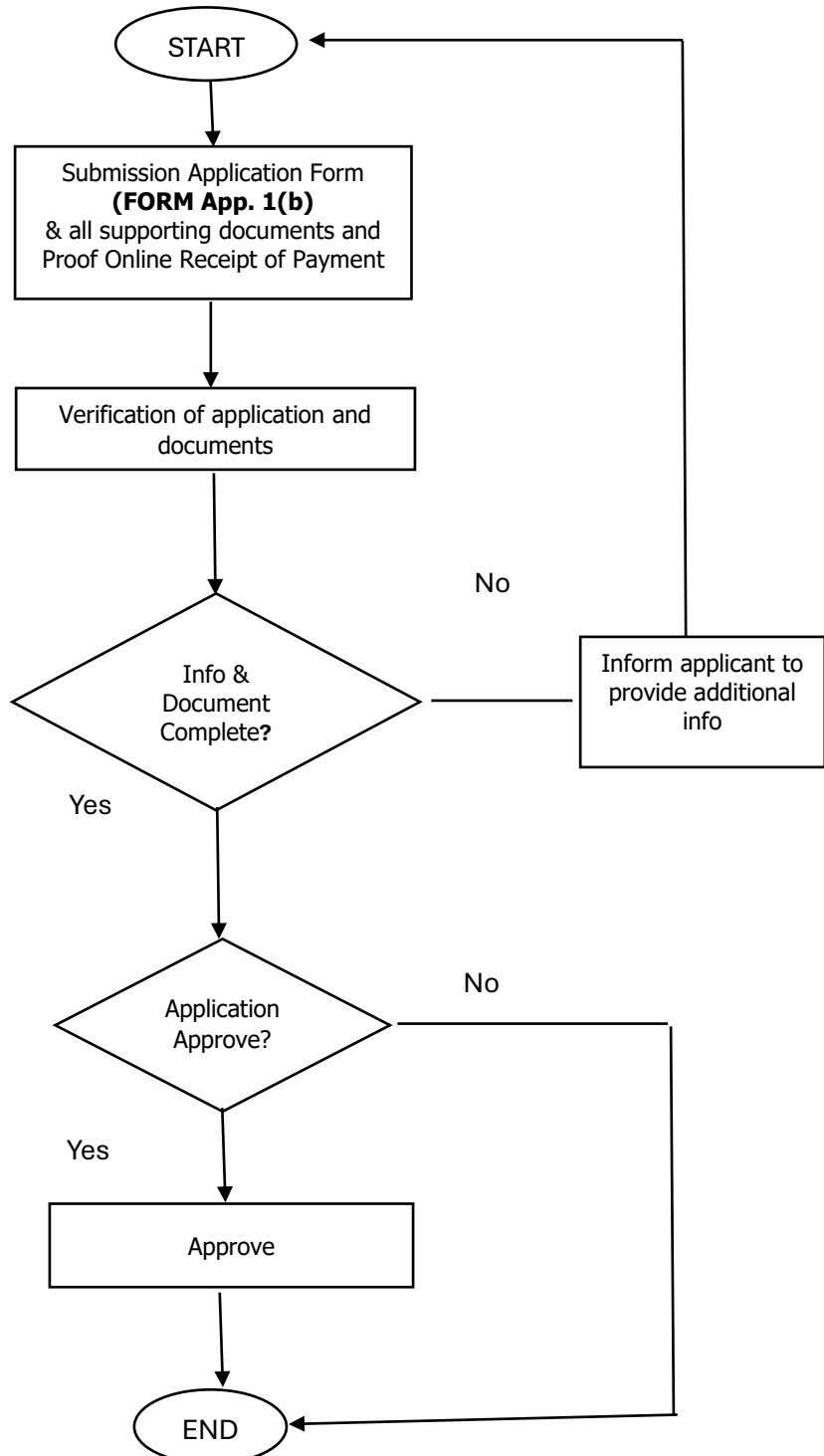
FLOWCHART FOR APPLICATION OF ACCREDITED EXTERNAL PROCESS

Application by firm using Form Appendix 1(a)



Appendix 7 (Registration for Individual)

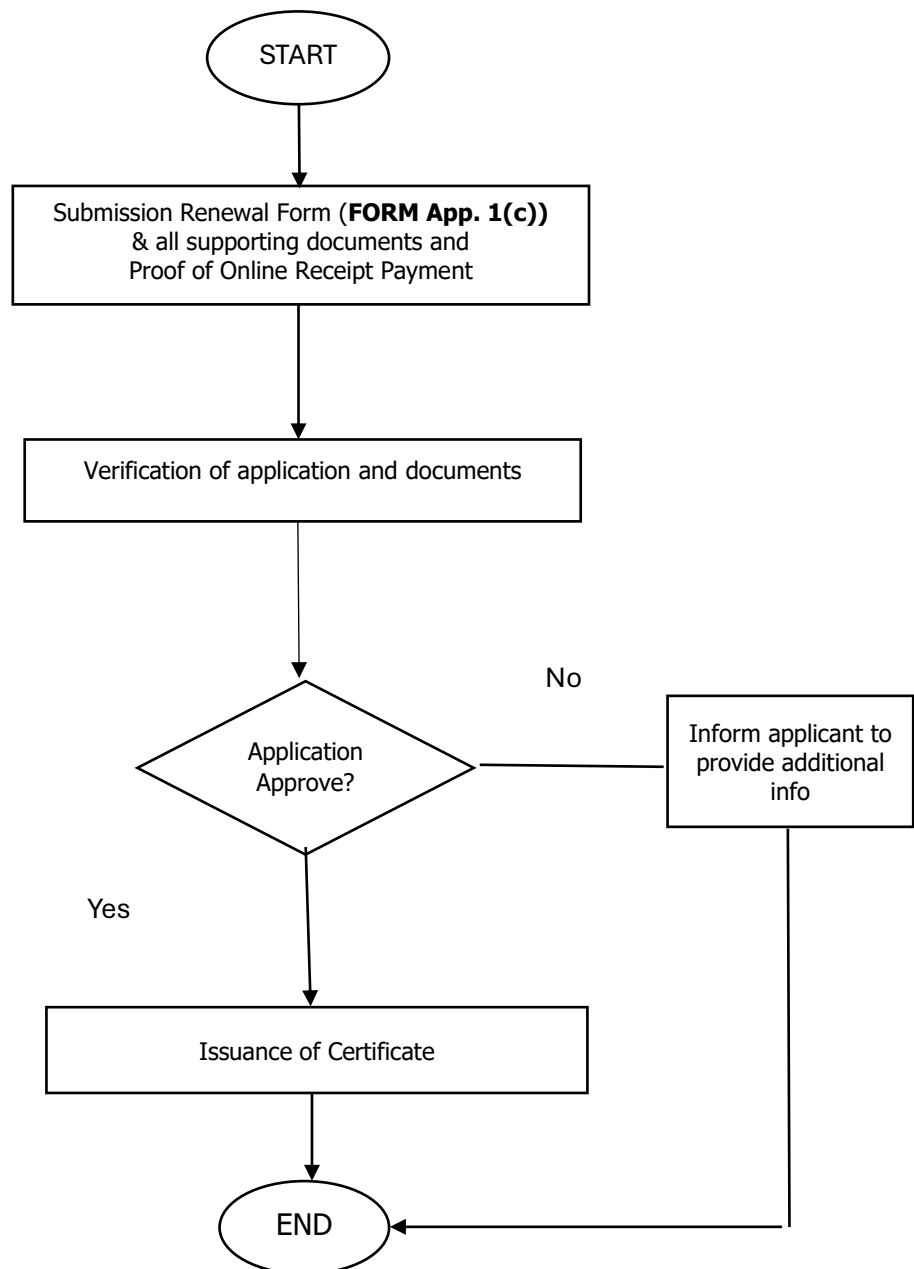
FLOWCHART FOR APPLICATION OF ACCREDITED EXTERNAL PROCESS Application by individual auditor using Form Appendix 1(b)



Appendix 8 (Renewal Registration for Firm)

FLOWCHART FOR RENEWAL OF REGISTRATION FOR ACCREDITED EXTERNAL AUDITOR PROCESS

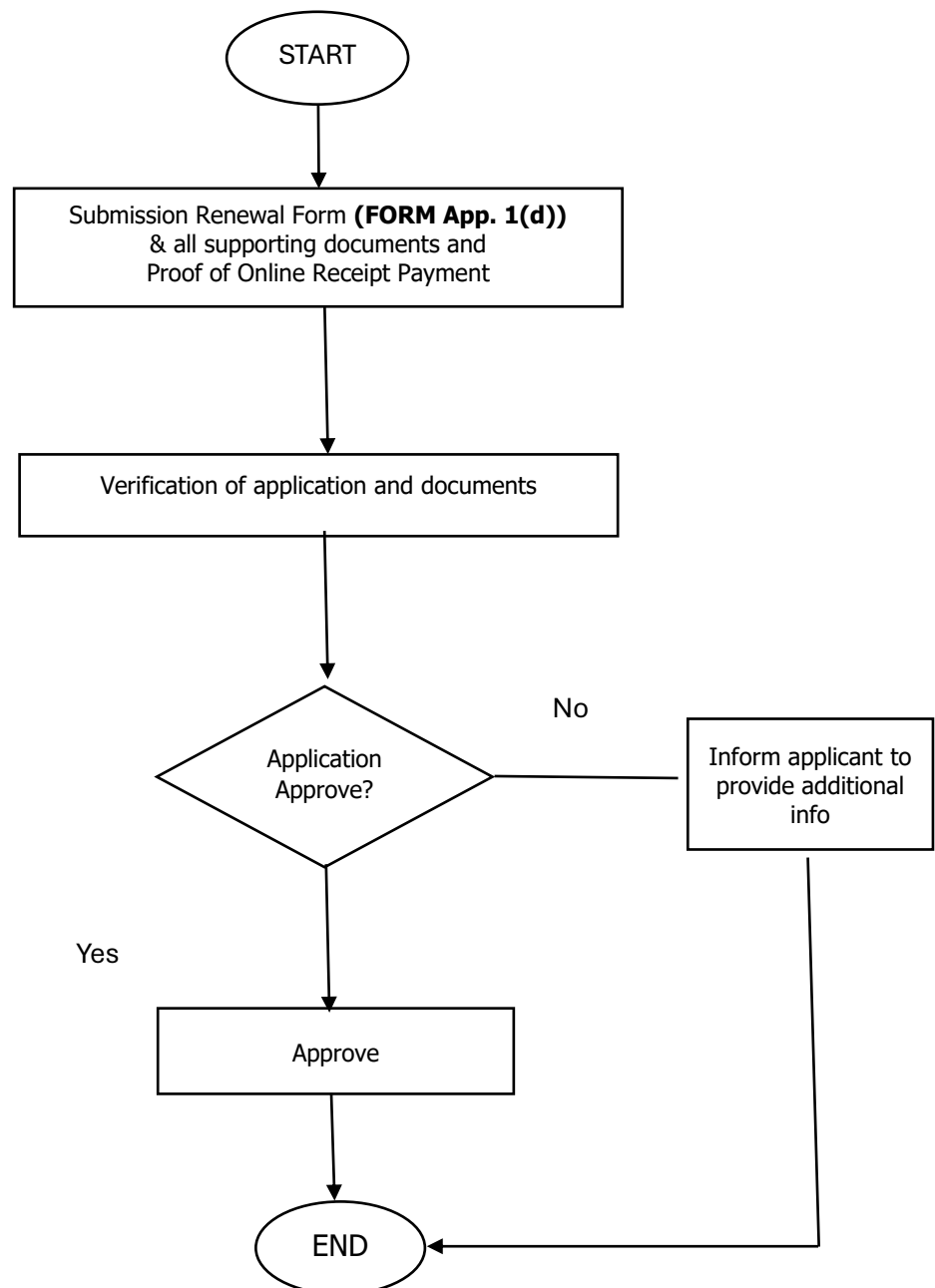
Renewal Application by firm using Form Appendix 1(c)



Appendix 9 (Renewal Registration for Individual)

FLOWCHART FOR RENEWAL OF REGISTRATION FOR ACCREDITED EXTERNAL AUDITORS PROCESS

Renewal Application by individual auditor firm using Form Appendix 1(d)



Appendix 10 (Competency Requirement of an External Auditor)

To be competent as an auditor, criteria as in Table 1 are expected and required.

Table 1: Competency Requirements of an External Auditor

No	Criteria	Auditor
1	Personal Attributes	Meets all requirement
2	Level of Education	Minimum a recognised diploma or degree or equivalent
3	Total work Experience	Minimum 5 years full-time or equivalent part-time
4	Audit Experience	Minimum 3 years working experience relating to verify of GHG emission
5	Competency Accredited	Understanding for the principles of and method for conducting GHG emission verification in accordance with ISO 14064 – part 3