



**THE
SARAWAK GOVERNMENT GAZETTE
PART II**

Published by Authority

Vol. LXXX

7th February, 2025

No. 8

Swk. L. N. 26

**ENVIRONMENT (REDUCTION OF GREENHOUSE GASES EMISSION)
ORDINANCE, 2023**

**QUALIFICATIONS AND REGISTRATION OF ACCREDITED EXTERNAL AUDITORS
RULES, 2025**

ARRANGEMENT OF RULES

Rules

1. Citation and commencement
2. Interpretation
3. Verification of Carbon Emission Report
4. Eligibility for registration as an Accredited External Auditor
5. Qualifications for registration
6. Application for registration

Rules

7. Registration and Certificate of Registration
8. Register of Accredited External Auditor
9. Suspension of Certificate of Registration
10. Cancellation of Certificate of Registration
11. General prohibition against conflict of interest
12. Duties of an Accredited External Auditor
13. Liability for inaccurate, false or misleading statement, *etc.*
14. Code of Conduct
15. Amendment to Schedules

SCHEDULE

FIRST SCHEDULE – CERTIFICATE OF REGISTRATION

SECOND SCHEDULE - FEES

ENVIRONMENT (REDUCTION OF GREENHOUSE GASES EMISSION)
ORDINANCE, 2023

QUALIFICATIONS AND REGISTRATION OF ACCREDITED EXTERNAL AUDITORS
RULES, 2025

(Made under section 57(1)(b))

In the exercise of the powers conferred by section 57(1)(b) of the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 [*Cap. 85*] the Majlis Mesyuarat Kerajaan Negeri has made the following Rules:

Citation and commencement

1. These Rules may be cited as the **Qualifications and Registration of Accredited External Auditors Rules, 2025**, and shall come into force on such date as the Minister may, by notification in the *Gazette*, shall appoint.

Interpretation

2. In these Rules—

“Board” has the same meaning assigned to it under the Natural Resources and Environment Ordinance [*Cap. 84 (1958 Ed.)*];

“Controller” has the same meaning assigned to it under the Natural Resources and Environment Ordinance [*Cap. 84 (1958 Ed.)*];

“Minister” means the Minister having the responsibility for the environmental sustainability; and

“Ordinance” means the Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023 [*Cap. 85*].

Verification of Carbon Emission Report

3.—(1) No person shall verify a carbon emission report required to be submitted to the Controller under the Ordinance unless he—

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

(2) A carbon emission report submitted by any person, which is not verified by a person who does not satisfy the requirements under subrule (1) shall be rejected by the Controller.

Eligibility for registration as an Accredited External Auditor

4.—(1) A person shall be eligible for registration as an accredited external auditor if—

(a) he is a Malaysian citizen or a limited liability partnership registered under the Limited Liability Partnership Act 2012 [*Act 743*] or a company incorporated under the Companies Act 2016 [*Act 777*];

(b) he possesses the qualifications for registration under rule 5;

(c) he is not an undischarged bankrupt or insolvent either within or outside Malaysia except with leave of the Court;

(d) he has not been convicted of any offence involving corruption or corrupt practices, fraud or dishonesty and has been sentenced either to a fine of 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.

(2) Notwithstanding sub-rule (1)(a), if he is not a Malaysian citizen or partnership not incorporated under Malaysian law, he incorporates and registers a limited liability partnership under sections 45 and 46 of the Limited Liability Partnership Act 2012 [*Act 743*] or a company registered under section 562 of the Companies Act 2016 [*Act 777*] and its registration has not been cancelled or remains valid.

(3) Notwithstanding sub-rule (2), a limited liability partnership or company shall not be eligible for registration unless the partnership or company has a managing partner or managing director or chief executive officer who is a Malaysian citizen to be principally responsible for the performance of the duties and functions of an accredited external auditor as stipulated under these Rules.

Qualifications for registration

5.—(1) Any person who:

(a) has at least three years working experience relating to verification of GHG emission including possessing thorough understanding of the principles of and methods for conducting GHG emission verification in accordance with ISO 14064-3 or any other equivalent standards as may be determined by the Board as well as good understanding of the relevant provisions of the Ordinance, the rules and policies in relation to GHG emission in the State;

(b) is the holder of a recognized tertiary qualification from the universities accredited or approved by Government of Malaysia relating to a discipline relevant to climate change or reduction of emission of greenhouse gases in the economic sector set out in the First Schedule of the Ordinance and has for a period of at least three years from the date of attainment of the degree practised in the profession to which the degree relates or entitles him to do so;

(c) has professionally practised at least for three years in the field of climate change including the verification of GHG emission reports for economic sector set out in the First Schedule of the Ordinance; and

(d) such other qualifications as may be prescribed by the Board by direction to be published in the *Gazette*,

shall be eligible to apply for registration as an accredited external auditor in accordance with the procedures set out in these Rules.

Application for registration

6. An application for registration as an accredited external auditor shall be made in such form as may be determined by the Controller supported by the relevant documents to prove the qualifications of the applicant and shall be subjected to the payment of fee as prescribed in the Second Schedule.

Registration and Certificate of Registration

7.—(1) The Board, upon being satisfied that an applicant possesses the qualifications to be eligible for registration, may direct the name of the applicant be entered in the Register kept under rule 8 and the Controller shall issue him with a Certificate of Registration as prescribed in the First Schedule upon payment of the fee as prescribed in the Second Schedule.

(2) The Controller, upon issuing the Certificate of Registration under sub-rule (1), may impose such terms and conditions as he deems fit.

(3) (a) The Certificate of Registration shall be valid for a period of one year.

(b) Application for renewal shall be made in such form as may be determined by the Controller upon payment of an annual renewal fee as prescribed in the Second Schedule.

(c) The Controller may approve the renewal of the Certificate of Registration on similar terms or impose any such additional terms and conditions as he deems fit.

(d) The Controller shall impose late renewal fee as prescribed in Second Schedule on any renewal made within six months after the expiry of the Certificate of Registration.

(e) Where a Certificate of Registration is not renewed after the lapsed of six months of its expiry, such Certificate shall be de-registered from the Register and the holder of the Certificate of Registration shall submit new application pursuant to section 6 upon such de-registration.

(4) The Certificate of Registration shall be returned to the Controller upon:

(a) suspension or cancellation of the Certificate of Registration;

(b) the expiry of the period of Certificate of Registration; or

(c) request by the Controller for the purpose of making any endorsement or amendment thereto.

(5) The Certificate of Registration shall not be transferable.

(6) Where the holder of a certificate has passed away, the Controller shall cancel his registration and the certificate shall be deemed to have been cancelled accordingly.

(7) Upon registration under these Rules, the person so registered shall be deemed to have been registered as an independent third party verifier of carbon emissions reports with the Board and shall be an accredited external auditor as defined in the Ordinance.

Register of Accredited External Auditor

8.—(1) The Board shall maintain a Register, in both documentary and electronic form which shall contain the names, addresses, qualification, date of registration, extension of registration and any other relevant particulars.

(2) The Register shall be kept at the principal office of the Board.

(3) The Register, including its electronic version, shall be regularly updated and open for inspection by any person upon payment of the fee prescribed in the Second Schedule.

Suspension of Certificate of Registration

9.—(1) The Controller may suspend the Certificate of Registration, upon satisfied that the accredited external auditor is:

(a) charged with any offence under the Ordinance or any rules made hereunder; or

(b) non-compliance of any provisions under the Ordinance, any rules made hereunder or any terms and conditions of the Certificate of Registration.

(2) In the event the accredited external auditor is:

(a) acquitted of the offence charged, his registration would be restored upon payment of the fee as prescribed in the Second Schedule; or

(b) in breach of any provisions under the Ordinance, any rules made hereunder or terms and conditions of the Certificate of Registration, and the accredited external auditor has rectified the non-compliance within a specified time as directed by the Controller in writing,

his suspension under sub-rule (1) may be lifted by the Controller.

(3) Where the conviction of the registration of such accredited external auditor is quashed on appeal by the appellate court, the Controller may restore his registration.

Cancellation of Certificate of Registration

10. Without prejudice to the provisions in rule 13, the registration of an accredited external auditor may be cancelled 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 month;
- (e) if his registration was procured through wilful misrepresentation in his application for registration or any documents in support thereof;
- (f) convicted of the offence charged with any offence under the Ordinance or any rules made hereunder; or
- (g) has failed to rectify the non-compliance as required under rule 9(2)(b).

General prohibition against conflict of interest

11.—(1) Without prejudice to the generality of rule 3, no accredited external auditor shall verify the carbon emission report for any company for the purposes stipulated in rule 3(1) if:

- (a) he, his spouse or any of his children is an officer of the company;
- (b) he, 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 at the material time indebted to the company.

(2) For the purpose of this Rule:

- (a) the term “company” shall include a partnership firm, a body corporate established or constituted under any written law; and
- (b) the provisions of sections 264 (2), (3) and (4) of the Companies Act 2016 ~~[Act 777]~~, shall apply in determining whether a person is an “officer of the Company”.

Duties of an Accredited External Auditor

12.—(1) An accredited external auditor shall be an independent third party verifier 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 and 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.

(2) An accredited external auditor shall respond to all queries sought by the Controller on such reports.

Liability for inaccurate, false or misleading statement, etc.

13. Where any carbon emission report verified by an accredited external auditor contains any fact, statement, representation or data which is false, misleading or calculated to deceive the Controller or the Board, the accredited external auditor shall be guilty of an offence.

Code of Conduct

14. The Board may with the consultation of the Minister, issue a code of conduct to govern the practice and discipline of registered accredited external auditors for the purpose of performing his duties under the Ordinance and these Rules.

Amendment to Schedules

15. Majlis Mesyuarat Kerajaan Negeri may, by notification in the *Gazette*, amend or modify the Schedules.