

# National Carbon Market Policy Malaysia

## Introducing the National Carbon Market Policy Malaysia

In April 2026, the Ministry of Natural Resources and Environmental Sustainability (NRES) launched the National Carbon Market Policy (NCMP) or Dasar Pasaran Karbon Kebangsaan (DPKK). The NCMP introduces a framework for buyers and sellers of carbon credits generated from Malaysian carbon projects, fulfilling three main compliance areas:

1. Nationally Determined Contributions achievement, per the Paris Agreement (2015)
2. Other international mitigation purposes (OIMP), also per the Paris Agreement (2015)
3. Offset use for domestic compliance

The NCMP is designed to align with Malaysia's broader policy and legal ecosystem, including with the National Climate Change Policy 2.0 and proposed Climate Change Act (RUUPIN). The NCCP 2.0 identifies the NCMP as a driver for decarbonisation, blended finance and revenues while the RUUPIN sets the legal foundation for regulating carbon markets and enabling the use of offsets in future carbon pricing instruments. The NCMP also reflects the 13th Malaysia Plan, 2026-2030 and its ambitions to advance economic complexity to spur inclusive and sustainable growth.



## What are carbon markets?

Carbon markets are systems designed to regulate greenhouse gas emissions by putting a price on carbon. They work by creating tradable units, such as carbon credits or emission allowances, that represent a defined amount of emissions reduced or avoided, typically one tonne of carbon dioxide equivalent. By treating carbon as a commodity, carbon markets can incentivise organisations to cut emissions where it is most cost-effective to do so.

There are two main types of carbon markets.

Compliance Markets	Voluntary Carbon Markets
Compliance markets are regulated by governments and form part of climate policies, such as emissions trading schemes, like the one guided by the NCMP.	Voluntary carbon markets allow companies and individuals to purchase carbon credits to offset emissions beyond regulatory requirements.

The NCMP will also support spillover benefits for a voluntary market, enabling buyers for this market too.

Carbon markets encourage investment in low-carbon technologies and climate projects, channel finance toward mitigation efforts, and promote innovation. When well designed and governed, they can play a critical role in supporting global and national climate targets.

## Assuring your GHG emissions matters

Assurance for Greenhouse Gas (GHG) emissions will be key to ensuring the integrity of carbon credits.

Carbon markets rely on accurate measurement, reporting, and verification (MRV) of emissions and reductions. When reported emissions are independently assured, corporates can ensure transparent disclosures supplement the other verification requirements of carbon markets. GHG assurance provides confidence that emissions data and carbon credits are transparent, reducing the risk of greenwashing.

Robust assurance also enhances market transparency and comparability, enabling buyers to make informed decisions and regulators to enforce rules credibly. This is particularly important as carbon markets scale. For project developers and companies, assured GHG data strengthens credibility with stakeholders, supporting access to finance and long-term market participation.

Ultimately, GHG assurance safeguards environmental integrity while supporting efficient price discovery. Carbon markets can be supported by emissions disclosures in sustainability reports that are independently assured, enabling global climate goals and transparency initiatives.

Let's connect to explore how our Sustainability and Climate Change Services can support your organisation's journey towards greater transparency and sustainability!

**Contact us to discuss how we can help with our Sustainability and Climate Change Services**



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