



Using Verified Carbon Units (VCUs) in the Context of the Colombian Carbon Tax

Projects certified by the Verified Carbon Standard (VCS) generate carbon credits (Verified Carbon Units or VCUs) that are eligible for use by entities in Colombia to offset up to 100% of their tax liability under the country's carbon tax (as established in [Executive Order 926 of June 1, 2017](#) of the Ministry of Environment and Sustainable Development). This document lays out the basic requirements for VCUs to be accepted in the Colombian mechanism and how to use them to satisfy part or all of an entity's tax liabilities.

Requirements

✓ Projects and programs generating and issuing VCUs for use in the context of the Colombian carbon tax must meet all requirements set forth in the [Verified Carbon Standard](#) and the [VCS Program Guide](#).

✓ The VCUs must meet all requirements laid out in [Resolution 1447 of August 1, 2018](#) and [Resolution 0831 of September 30, 2020](#) from the Ministry of Environment and Sustainable Development.

✓ The projects generating VCUs must be registered in the National Registry of GHG Emissions Reduction ([RENARE](#)).

Using VCUs to Satisfy Tax Liabilities under the Colombian Carbon Tax

STEP 1 Retire carbon credits on the [Verra Registry](#).

a. The Verra Registry Account Holder requests the retirement of credits.

The Account Holder must provide the following information for the Retirement Certificate:

1. Name of the GHG mitigation initiative that produced the GHG reductions and/or removals;
2. Name of the person or entity, and the identification number of the Account Holder of the mitigation initiative which generated the GHG reductions and/or removals;
3. Name of the person or entity — as well as their identification number — in whose favor the GHG reductions and/or removals are cancelled;
4. Number of VCUs to be retired, expressed in tCO₂e with their respective serial numbers, supported by their verification statements.¹

b. Verra generates Retirement Certificate.

STEP 2 The Account Holder sends the Retirement Certificate via email to the Beneficiary of the retired VCUs, along with a link to the entry for the retired credits on the Verra Registry; this entry includes all the details listed in Step 1.

STEP 3 The Beneficiary submits (via email or physical copy) a request to the respective government entity/entities to use the retired VCUs for satisfying part or all of the tax liabilities under the Colombian carbon tax. This request must include:

1. Retirement Certificate issued by Verra;
2. Verification report from the project issuing the VCUs;
3. Copy of the status report of the retired VCUs from the National Registry of GHG Emissions Reduction ([RENARE](#));
4. Calculation of the carbon dioxide equivalent of the fuel consumed and to be offset.

¹ In the case of Verra's VCS Program, this is the Verification Report issued by the respective Validation/Verification Body (VVB).

QUESTIONS?

Please contact us at registry@verra.org.