



Using Verified Carbon Units in the Context of the South African Carbon Tax Act

Projects certified by the Verified Carbon Standard (VCS) generate carbon credits (Verified Carbon Units or VCUs) that are eligible for use by entities in South Africa to satisfy a portion of their tax liabilities, as set out in the country’s [Carbon Offset Regulations](#). This document lays out the process of retiring these credits on the Verra Registry and subsequently listing them on the registry of South Africa’s Carbon Offset Administration System (COAS).

Process from VCU Issuance to Retirement on the COAS Registry

I. Credits issued on the Verra Registry

II. List your Project on the COAS Registry

III. Retire credits on the Verra Registry

IV. List credits on the COAS Registry

V. Retirement of credits in COAS

Issuing VCUs on the Verra Registry

To issue VCUs on the Verra Registry, consult the VCS Program Rules and Requirements and follow the [VCS Registration and Issuance Process](#).

Retiring VCUs on the Verra Registry for Listing on the COAS Registry

STEP 1 On the Verra Registry, the account holder will change the status of the desired credits from “Active” to “Retired”.

When requesting the status change to “Retired”, the account holder will be required to specify several details.

- a. **Beneficial Owner:** Please note the name of the COAS account holder and the number of the account in which the retired credits will be deposited.
OPTIONAL: Add “Final User” and then include the name of the taxed entity that will surrender credits for the purpose of the carbon tax.
- b. **Retirement Reason:** Select “Section 13 of the South African Carbon Tax Act” in the drop-down menu.
- c. **Retirement Reason Details:** Please note “In accordance with the Regulations on carbon offsets under Section 19 of the Carbon Tax Act, as published in GN 1556 GG 42873 on 29 November 2019.”

- d. **Email Notification:** Add COA@dmre.gov.za as an additional recipient for your Certificate of VCU Retirement.
- e. It is recommended that account holders check the box “**Make Retirement Reason Details Public**” at the bottom.

STEP 2 The Verra Registry generates the Certificate of VCU Retirement.

STEP 3 The Certificate of VCU Retirement is emailed to the account holder, along with a link to the Retired Credits entry on the Verra Registry which includes all of the above details.

STEP 4 The account holder includes the Certificate of VCU Retirement and the Retired Credits URL in the application for listing the retired VCUs on the COAS Registry.

Contact registry@verra.org with questions.