



SUBSIDIARY GUIDELINES ON

REGISTRY REQUIREMENT FOR REGISTRATION AND TRACKING OF FOREST CARBON UNITS



**MALAYSIA FOREST
FUND**

8.1 PURPOSE

- 8.1.1 The Subsidiary Guidelines on MFF Registry for registration and tracking of Forest Carbon Units (FCUs) Transfer provides guideline for registration of a purchase, a transfer of forest carbon units, validation of FCUs, and recording of the use of FCUs shall be done through the MFF Registry according to the rules, procedures, and conditions prescribed herein.

8.2 SCOPE AND APPLICABILITY

- 8.2.1 The Subsidiary Guidelines on MFF Registry for registration and tracking of FCUs transfer, along with all relevant clauses within this document and those referenced herein are mandatory for all projects to be undertaken under the Forest Carbon Offset (FCO) Program.
- 8.2.2 Malaysia Forest Fund (MFF) retains the authority to issue updates, modifications, clarifications or corrections to the Guidelines which will be made available in the MFF Registry. Project proponents must stay current with these updates and incorporate them as needed for their projects by regularly checking the rule updates section in MFF Registry.
- 8.2.3 Stakeholders may suggest updates, edits, changes or additions to the Guidelines by sending an email to MFF at corporate@myforestfund.com.my. MFF reserves the right to accept or reject such requests as its discretion.

8.3 OPENING OF AN ACCOUNT IN THE MFF REGISTRY

- 8.3.1 The following entities are eligible to apply for opening an account in the MFF Registry:
- (a) Entities registered as per the Subsidiary Guidelines on Registration of Forest Carbon Offset Projects, will automatically have an account in the MFF Registry
 - (b) Entities intending to purchase or acquire FCUs for use in offsetting GHG emissions in applying for FCUs, certifications, or any rights or privileges under the measures or any other projects of state agencies; or for voluntary cancellation of forest carbon units; and
 - (c) the entities who acquire FCUs from a carbon credit exchange or any other electronic system provided by the MFF.
- 8.3.2 Entities falling under clause 8.3.1 (b) are required to submit the following certified true copies of documents certified true copies for opening of an account:
- (a) a signed application request for opening an account, indicating the authorized person representing the entity and their designated representative for MFF Registry transactions, along with a valid email address for use with the MFF Registry;
 - (b) Documentations proving the entity's certificate of registration of an entities or entities partnership, the business license as per the country's businesses law (law of the country of origin), establishment letters or proof of organization setup under legal requirements;
 - (c) Disclosure of ultimate ownership or beneficiary of the registering entity
 - (d) Demonstration of compliance with anti-money laundering laws and other relevant laws of Malaysia

- 8.3.3 MFF will review the accuracy of the application submitted by the entities under clause 8.3.1 (b) and ensure the completeness of the accompanying documents and evidence as outlined in clause 8.3.2.
- 8.3.4 In case of any inaccuracies or missing documents, MFF will notify the entity specified in clause 8.3.1 (b) to rectify and re-submit its application, or complete the documents or evidence, within fifteen (15) business days from the date of notification. If the re-submitted application is deemed correct, or the documentations provided is complete, the date the re-submission will be considered as the official submission date.
- 8.3.5 Failure to rectify or re-submit the application, or provide required documents or evidence required by the MFF under 8.3.4 within the designated timeframe without additional information or clarification may result in the cancellation of the application by MFF. The entity will be informed of the reasons for the cancellation.
- 8.3.6 MFF will establish an account for the entity specified in clause 8.3.1 (b) in the MFF Registry within fifteen (15) business days from the date of obtaining the application, along with complete documentations and evidence, and will notify the entity accordingly.

8.4 ISSUANCE OF CERTIFIED FOREST CARBON UNITS

- 8.4.1 Upon reaching a decision to certify the quantities of FCUs registered with the MFF, MFF will issue the certified FCUs into the registered party's account (clause 8.3.1 (b)) in the MFF Registry within ten (10) business days from the date of certifying the FCU amounts.
- 8.4.2 Application for certifying of the quantities of FCUs registered with the MFF must be in accordance with the [Subsidiary Guidelines on Certification and Issuance of Forest Carbon Offset Projects](#).
- 8.4.3 The information regarding FCUs recorded in the MFF Registry as specified in paragraph 8.4.1 must be in accordance with the [Subsidiary Guidelines on Certification and Issuance of Forest Carbon Offset Projects](#).
- 8.4.5 The MFF will make public information available, including details on definitions, classification methods, and other relevant information concerning FCU displayed in the MFF Registry.

8.5 EXECUTION OF FOREST CARBON UNIT TRANSACTIONS

- 8.5.1 All transactions involving FCUs must be documented in the MFF Registry, or any other electronic system provided or recognised by MFF.
- 8.5.2 Registration of a purchase, or a transfer of FCUs and recording of the use of FCUs shall be performed by the MFF through the MFF Registry, using the methods as follows:

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- (a) registering the sale, purchase, or transfer of FCUs by means of transfer of FCUs from an account of a holder of FCUs in the MFF Registry to an account of an acquirer of FCUs in the MFF Registry; or
 - (b) recording the use of FCUs by means of cancellation, by transferring FCUs from an account of the user of FCUs to a specific account managed by the MFF for the purpose of retiring FCUs upon the use of FCUs for offsetting GHG emissions, for the receipt of payment based upon the result of GHG reduction, removal and avoidance (result-based payment), or for any other purposes including voluntary cancellation of FCUs.
- 8.5.3 Account holder(s) wishing to initiate a transfer of FCUs or to cancel FCUs shall submit an application via the MFF Registry, or any other electronic system provided or recognised by MFF, and specify the following information:
- (a) Quantity and type of FCUs in the account(s) for transfer or to cancel, respectively, by specifying the amount of FCUs, the type of FCUs, the year in which the GHG reduction, removal and avoidance occurs, and the FCO project, for transfer or to cancel, respectively;
 - (b) the account(s) for transfer between or to, or the objective of the use or cancellation of the FCUs;
 - (c) for cancellation of FCUs the documents or evidence regarding the objective of the use or cancellation of the FCUs; and
 - (d) any other information specified by the MFF.
- 8.5.4 MFF shall examine the correctness and completeness of the application under 8.5.3 and take any of the following actions within five (5) business days from the date of obtaining the application:
- (a) transfer or cancel FCUs in the MFF Registry;
 - (b) if the application is not complete, give notice of its refusal to take action, together with the reason thereof, to the applicant(s); or inform the applicant(s) to present additional information or evidence, if necessary, for the purpose of examining the completeness of the application, or for security in executing transactions in the MFF Registry, or to prevent an unfair act regarding trading of FCUs according to the Guidelines.
- 8.5.5 The applicant(s) shall present additional information or evidence to the MFF within five (5) business days from the date of obtaining notice from MFF. MFF shall consider the information and evidence, and act as described under [Subsidiary Guideline on Registration of Forest Carbon Offset Projects](#) within five business (5) days from the date of obtaining complete information or evidence.
- 8.5.6 Examination of the completeness of an application under clause 8.5.4 includes the following examination:
- (a) the applicant (seller) has FCUs that it intends to transfer or cancel in its account in MFF Registry;
 - (b) for cancellation of FCUs, the applicant has complied with the applicable rules, procedures, and conditions regarding the objective of the use of the FCUs; and
 - (c) the application of transfer or cancellation of forest carbon units is consistent with [Subsidiary Guideline on Certification and Issuance of Forest Carbon Offset Projects](#).

- 8.5.7 Any FCU holder who intends to offer FCUs for sale on a carbon credit exchange shall file an application under clause 8.5.3 to transfer FCUs from the applicant's account to a specific account in the MFF Registry that serves as an account for deposit of FCUs for the purpose of executing transactions on the carbon credit exchange.
- 8.5.8 If MFF receives notice of withdrawal of an offering for sale of FCUs by the applicant from the operator of the carbon credit exchange, MFF shall transfer FCUs from the deposit account of the MFF Registry back to the applicant's account in the MFF Registry within five (5) business days from the date of obtaining notice from the applicant.
- 8.5.9 When the MFF Registry obtains notice of trading of FCUs via a carbon credit exchange and the intention of the carbon credit buyer to use these FCUs, or to remove them from the carbon credit exchange, from the operator of the carbon credit exchange, MFF shall register trading of these FCUs within five (5) business days from the date of obtaining notice from the operator of the carbon credit exchange by transferring the FCUs from the account for deposit of forest carbon units in the MFF Registry to the buyer's account in the MFF Registry.
- 8.5.10 FCUs that are used to offset GHG emissions, or for any other purposes, must be cancelled (retired) in the MFF registry and cannot be doubled claimed, or further traded, transferred, or disposed of by other means.
- 8.5.11 For the purpose of protecting buyers and sellers of FCUs, maintaining the market stability of carbon credit trading, as well as the reliability, transparency, and fairness in the trading of forest carbon units, the Board of Trustees may prescribe additional rules and conditions regarding the purchase, sale, and holding of forest carbon units, including any other acts pertaining to the claims to forest carbon units, as appropriate.

8.6 SUSPENSION OF AN ACCOUNT IN THE MFF REGISTRY

- 8.6.1 The use of an account in the MFF registry may be suspended for any of the following causes:
- (a) an account holder acts in violation of these Guidelines;
 - (b) an account holder is in arrears with payment of service fees; or
 - (c) any other causes as additionally prescribed by the Board of Trustees.
- 8.6.2 When the MFF discovers any cause under clause 8.6.1, the MFF shall give a warning to the account holder to take remedial action or otherwise act to extinguish the cause under clause 8.6.1 within five (5) business days from the date of obtaining notice from the MFF.
- 8.6.3 After this period expires and the cause under clause 8.6.1 still exists, the MFF has the right to suspend the use of that person's account in the MFF registry.
- 8.6.4 If the account holder who is subject to suspension of the use of its account in the MFF registry has taken action that remedies the cause of suspension of the use of that account or has complied with the Guidelines or by the Board of Trustee's order, the MFF shall reactivate that account.

8.7 CLOSURE OF AN ACCOUNT IN THE MFF REGISTRY

- 8.7.1 An account holder who wishes to close its account in the MFF Registry shall file a request, together with a letter of intent to close an account, to the MFF via the electronic system provided by the MFF
- 8.7.2 The MFF shall consider the request and close the applicant's account in the MFF Registry on the tenth (10) business day following the date of filing the application.
- 8.7.3 During the period under clause 8.7.2, the account holder may not execute any transactions in the MFF Registry.
- 8.7.4 In case an applicant under clause 8.7.1 wishes to cancel its request to close an account, a request for cancellation, together with a letter of intent to cancel the closure of an account, shall be filed with the MFF via an electronic system provided by the MFF within five (5) business days from the date of filing the application.
- 8.7.5 If an account holder who submits the request to close an account in the MFF Registry does not file an application to transfer or cancel forest carbon units in its account prior to the closure of its account, it will be deemed that the account holder wishes to cancel the remaining forest carbon units in the account. When the account in the MFF registry is closed, MFF shall cancel the remaining forest carbon units in that account and issue certification of cancellation of the forest carbon units to the account holder.

8.8 SERVICE FEES

- 8.8.1 The MFF shall collect the following service fees at the rates which includes:
- (a) a service fee for maintaining an account in the MFF registry; and
 - (b) service fees relating to the execution of transactions in the MFF registry as specified by the Board of Trustees to be collected by the MFF.
- 8.8.2 Service fee for registering and maintaining an account in the MFF registry shall be exempted for the year 2025.