

GENZERO, ENG AND CO. LLC, AND PWC SINGAPORE URGE LEGAL AND ACCOUNTING CLARITY TO SUPPORT GROWTH OF VERIFIED CARBON CREDITS

New position paper calls for consistent treatment of verified carbon credits to crowd in finance, reduce cross-border friction and rebuild demand

Singapore, 21 April 2026 – GenZero, Eng and Co. LLC and PwC Singapore today released a position paper in partnership with the Singapore Sustainable Finance Association (SSFA) setting out considered legal and accounting viewpoints to help reduce uncertainties surrounding verified carbon credits (VCCs).¹

Titled “Foundations for the Carbon Market: Legal clarity, accounting, and other drivers for market scale”, the paper highlights that certainty in these areas will help scale the voluntary carbon market as a trusted channel for climate finance. While demand for VCCs has weakened amid integrity controversies, claims uncertainty and uneven policy signals, legal and accounting clarity will go towards supporting the market’s ability to recover and mobilise capital at the pace required for decarbonisation.

“Carbon credits will not scale on ambition alone,” said Sim Ting, General Counsel, GenZero. “Markets scale when rights are clear, risks are priced and assets can be financed. This paper makes a practical case for treating VCCs as intangible property. While it is not the only solution, it is a foundational building block for unlocking capital and building mature, investable carbon markets.”

Drawing on interviews with financial institutions, project developers, exchanges, investors, insurers and traders, the paper identifies one of the core barriers: VCCs remain difficult to finance and insure at scale as key questions remain around title, enforceability and transferability. This uncertainty, the paper argues, is an obstacle to carbon credits functioning like other widely traded instruments where standardised rights and predictable treatment underpin liquidity, price discovery and risk management.

“Cross-border carbon transactions are hindered by the lack of a common legal framework across the world,” said Rachel Eng, Managing Director at Eng and Co. LLC. “Recognising carbon credits as a form of intangible property, and developing workable rules for governing law and enforcement across jurisdictions, will strengthen certainty for trading, financing and custody, and ultimately contribute to market integrity and market growth.”

A call to action: make carbon credits financeable and enforceable, with reporting transparency and consistency

The position paper calls on market infrastructure providers, standard-setters and regulators to take coordinated steps in the following areas:

1) Provide legal clarity so VCCs can be treated as financeable assets

VCCs can, and should, be recognised as intangible property, providing certainty over title, transfer, remedies and insolvency outcomes. A clear proprietary characterisation would underpin security and custodial arrangements, lowering operational and counterparty risk. This would enable broader market participation, including financing of projects against carbon-linked revenues. Certainty around title and enforceability of VCCs would further enable the role of insurance to manage delivery and assess counterparty risks.

2) Reduce cross-border friction through considered private international law approaches

As carbon credit transactions routinely span multiple jurisdictions, the paper calls for a consistent,

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Verified carbon credits are certificates that represent the reduction or removal of one metric ton of carbon dioxide equivalent from the atmosphere, verified by independent third parties.

considered conflict-of-laws approach that reflects market practice while respecting the interests of the host countries where underlying projects are located.

3) Strengthen reporting and decision-useful disclosure

The paper maps current approaches under IFRS and evolving US GAAP proposals, and points to the role of IFRS S2 in improving transparency for both buyers and project developers. Better, more consistent reporting supports valuation discipline, investment approvals and credible decarbonisation planning.

Eu-Lin Fang, Sustainability and Climate Change Practice Leader at PwC Singapore, said: “As the carbon markets develop, it is vital to leverage international reporting standards to develop high-quality disclosures and decision-useful information on carbon credits. This will fit in well with an organisation's climate transition plans, which demonstrate how its business will respond to a low-carbon and climate-impaired world.”

Why it matters now

The paper notes that voluntary and compliance carbon markets are increasingly converging, with more jurisdictions exploring pathways for the use of eligible credits in regulated settings. In tandem with this opportunity, the authors argue legal and accounting clarity is one of the key spokes in enabling a market with reliable price signals, high liquidity and low financing frictions.

Kavitha Menon, Director at the Singapore Sustainable Finance Association (SSFA), said: “A well-functioning carbon market is a critical complement to real-economy decarbonisation. This paper sets out practical proposals to reduce frictions, improve confidence and crowd in capital, helping to scale high-integrity carbon markets and reinforcing Singapore's role as a sustainable finance hub.”

Next steps

GenZero, Eng and Co. LLC and PwC Singapore call on policymakers and market participants to prioritise near-term actions that can be implemented without waiting for perfect global uniformity.

- End -

About the Position Paper

The Position Paper is jointly authored by GenZero, Eng and Co. LLC and PwC Singapore. It is informed by industry consultations across key segments of the carbon market value chain, and the focus group discussions conducted within SSFA's work on Carbon Project Financing. It addresses legal, accounting, tax and bank regulatory considerations that affect the ability of carbon credits to function as a scalable, trusted asset class that channels finance to emissions reduction and removal.

Read more at <https://www.ssfa.org.sg/wp-content/uploads/2026/04/foundations-for-the-carbon-market-april2026.pdf>

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About GenZero

GenZero is an investment platform company focused on accelerating decarbonisation globally. Founded by Temasek, it seeks to deliver positive climate impact alongside long-term sustainable financial returns by investing in opportunities with the potential to be nurtured into impactful and scalable solutions.

Driven by a common purpose to decarbonise for future generations, GenZero recognises the need for a holistic and integrated approach to achieve a net zero world. It adopts a flexible investment approach across three focus areas to drive climate impact: (i) nature-based solutions that help protect and restore natural ecosystems while benefiting local communities and biodiversity; (ii) technology-based solutions that deliver deep decarbonisation impact; and (iii) carbon ecosystem enablers that support the scaling of carbon markets and enable broader industry decarbonisation.

For more information on GenZero, visit www.genzero.co.

About Eng and Co. LLC

Led by Managing Director, Rachel Eng, who has close to 35 years of corporate legal practice experience, Eng and Co. LLC provides quality legal services to clients in areas such as asset management & funds, corporate & capital markets, corporate governance, ESG and M&A. For more information on Eng and Co. LLC, visit www.engandcollc.com.

About PwC Singapore

At PwC Singapore, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We're part of a tech-forward, people-empowered network with more than 364,000 people in 136 countries and 137 territories. Across audit and assurance, tax, deals and consulting, we help clients build, accelerate, and sustain momentum. Find out more at www.pwc.com.

About SSFA

The Singapore Sustainable Finance Association (SSFA) is an industry body established by the Monetary Authority of Singapore (MAS) along with the financial industry in January 2024. Building on the successful work of the Green Finance Industry Taskforce (GFIT), SSFA is established to collaborate across the financial and real economy sectors to support the growth of Singapore as a trusted, vibrant, and inclusive sustainable finance centre. SSFA welcomes participation from financial services, non-financial sector corporates, academia, nongovernmental organisations, policymakers and other industry bodies.

For more information on SSFA, visit www.ssfa.org.sg.