



Aligning carbon storage laws

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Federal and Sarawak govts working to prevent overlap

KUCHING: The federal and Sarawak governments are working to align laws on carbon capture, utilisation and storage (CCUS), says Datuk Seri Fadillah Yusof (*pic*).

The Deputy Prime Minister said these discussions are focused on formulating regulations to prevent overlaps and ensure smooth cooperation between the government and the state.

"What needs to be harmonised now is how federal and state laws can be aligned so that any overlaps or areas requiring cooperation can be addressed through regulations and other mechanisms.

"This is particularly important for carbon storage in Sarawak, as it involves cross-border cooperation between the two governments," he told reporters after attending a bubur lambuk distribution programme at Surau Darul Al Amin, Kampung Samariang



Jaya yesterday, Bernama reported.

Fadillah, who is also the Energy Transition and Water Transformation Minister, said the CCUS Bill 2025, which was recently passed, only applies to Peninsular Malaysia and the Federal Territory of Labuan.

"This CCUS legislation does not involve Sabah and Sarawak as Sarawak has its own legislation

governing aspects related to carbon technology and management," he said.

On Thursday, the Dewan Rakyat unanimously passed the CCUS Bill to facilitate investment expansion and national economic growth.

The Bill was passed following its third reading by Economy Minister Datuk Seri Rafizi Ramli.

When winding up the debate, Rafizi said the government would not allocate any expenditure for CCUS facilities.

Comprising 10 parts and 53 clauses, it outlines the responsibilities of storage site operators in environmental protection, risk management and liability to ensure safe, responsible and internationally compliant CCUS operations.

Among its key provisions, the Bill proposes the establishment of the Malaysian Carbon Capture,

Utilisation and Storage Agency, which will oversee licensing, compliance and industry development while ensuring the safe capture, transportation, utilisation and permanent storage of carbon.

Under the new framework, carbon capture facilities must be registered and operators are required to obtain permits for both offshore and onshore carbon storage sites. Strict monitoring and safety protocols will be enforced to prevent leaks and environmental damage.

Notably, it excludes Sabah and Sarawak – the two states with significant offshore hydrocarbon basins, which could serve as potential carbon storage sites.

The CCUS Bill 2025 will now be referred to the Dewan Negara for debate and voting before being presented to the King for royal assent and gazette into law.