

Ministry of Environment,
Republic of Indonesia



CARBON REGISTRY SYSTEM (SRUK)

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INDONESIA'S CARBON MARKET AT A GLANCE

Indonesia targets a 31.89% unconditional reduction in GHG emissions and up to 43.2% with international support by 2030 — among the most ambitious NDC commitments in ASEAN.

As the world's largest archipelago and home to the third-largest tropical rainforest, Indonesia holds extraordinary carbon sequestration potential. The country's carbon market is rapidly emerging as a leading destination for global climate investment, underpinned by robust new regulations, a centralized registry (SRUK), and full alignment with the Paris Agreement's Article 6 mechanisms.

With vast forestry, peatland, and renewable energy assets, Indonesia offers unparalleled opportunities for international investors seeking credible, high-integrity carbon credits in a transparent and government-backed market framework.





REGULATORY FRAMEWORK OVERVIEW

Presidential Regulation No. 110/2025 marks a transformative milestone in Indonesia's carbon governance, formally recognizing voluntary carbon market activities, acknowledging international carbon standards, and establishing SRUK as the centralized national carbon registry. This regulation provides legal clarity on the treatment of domestic and international carbon transactions, ensuring a robust and transparent market structure aligned with Indonesia's national climate commitments and investment-grade regulatory standards.

Ministerial Regulation No. 10/2026 operationalizes the SRUK system by defining carbon unit certification processes, registry operations, and a decentralized network architecture for full traceability. Indonesia's obligations under the Paris Agreement — including Article 6 cooperative approaches and corresponding adjustment requirements — drive international alignment, ensuring that all carbon transactions uphold the core objectives of transparency, regulatory clarity, and market integrity for domestic and global investors alike.



PRESIDENTIAL REGULATION NO. 110 OF 2025 HIGHLIGHTS

Presidential Regulation No. 110/2025 reshapes Indonesia's carbon governance by recognizing voluntary carbon markets, acknowledging international standards, and establishing SRUK as the centralized national carbon registry.



Voluntary Carbon Market Recognition

Formal recognition of voluntary carbon market activities, enabling private sector participation and project development under a regulated framework.



Internatio nal Standard

Acknowledges internationally recognized carbon standards such as VCS, Gold Standard, and UNFCCC mechanisms for use within Indonesia's carbon market.



SRUK Centralized Registry

Introduces SRUK as the centralized national carbon registry, ensuring transparency, traceability, and integrity across all carbon unit transactions.



Carbon Transaction Treatment

Clarifies regulatory treatment of domestic and international carbon transactions, including corresponding adjustments to prevent double counting.

MINISTERIAL REGULATION NO. 10/2026

SRUK FRAMEWORK & OPERATIONS

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Ministerial Regulation No. 10/2026 establishes the comprehensive operational framework for SRUK — Indonesia's centralized carbon registry — ensuring transparency, traceability, and integrity across all carbon unit transactions.



SRUK Framework & Guidelines

Comprehensive operational guidelines governing carbon unit registration, certification, and lifecycle management under Indonesia's national carbon registry system.



Decentral ized Network

Distributed network architecture ensuring real-time transparency, full traceability, and interoperability with national and international registries.



Carbon Unit Registry

Definition, issuance, and certification of domestic SPE GRK units and internationally recognized carbon units within the SRUK platform.



Double Counting Prevention

Mandatory authorization and corresponding adjustment mechanisms safeguard environmental integrity and eliminate double counting in international transfers.

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PARIS AGREEMENT

MANDATE ON CARBON PRICING

Indonesia's carbon governance framework is fully aligned with the Paris Agreement, ensuring that SRUK operates within internationally recognized cooperative approaches and crediting mechanisms under Article 6.



Article 6 Cooperative Approaches

SRUK supports Article 6.2 bilateral cooperation and Article 6.4 crediting mechanisms, enabling internationally transferred mitigation outcomes (ITMOs).



NDC Commitment

All carbon markets are aligned with Indonesia's Nationally Determined Contribution (NDC) targets of 31.89% unconditional and 43.2% conditional reduction by 2030.



International Market Integration

SRUK facilitates seamless integration with international carbon markets, enabling cross-border transactions while maintaining environmental integrity and regulatory compliance.



Corresponding Adjustments

Mandatory corresponding adjustments are applied to all international carbon transfers, preventing double counting and ensuring each unit contributes to only one country's NDC.

KEY MILESTONES TIMELINE

Indonesia's carbon market has reached critical regulatory and operational milestones in 2025–2026, establishing a robust foundation for transparent, credible, and internationally aligned carbon trading under the SRUK framework.

**Oct 10,
2025**

MoU signed between the Ministry of Forestry and IETA under the B-PMI framework, marking Indonesia's formal entry into international carbon market collaboration.

July 6, 2026

Indonesia Forestry Carbon Hub officially launched. Four forest carbon projects received approval, signaling active market participation and investor readiness.

July 9, 2026

Official launch of SRUK — Indonesia's centralized carbon registry. Operational carbon trading infrastructure fully established under Ministerial Regulation No. 10/2026.

SRUK SYSTEM OVERVIEW

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SRUK (Sistem Registri Iklim dan Karbon) is Indonesia's centralized carbon registry, established under Ministerial Regulation No. 10/2026. It provides a unified platform ensuring transparency, traceability, and permanence of all carbon unit registrations — replacing fragmented legacy systems with a single authoritative infrastructure.

Unlike legacy registries operating in silos, SRUK's decentralized network architecture enables real-time interoperability with national systems (IDXCarbon, SPEI) and international registries. This unified approach eliminates double counting risks and ensures environmental integrity across all carbon transactions.



Centralized Registry

Single authoritative platform for transparency, traceability, and permanence of carbon units.



National Integration

Seamlessly connects with IDXCarbon, SPEI, and national GHG inventory systems in real time.



Global Alignment

Interoperability with international registries supports cross-border carbon transactions and NDC alignment.

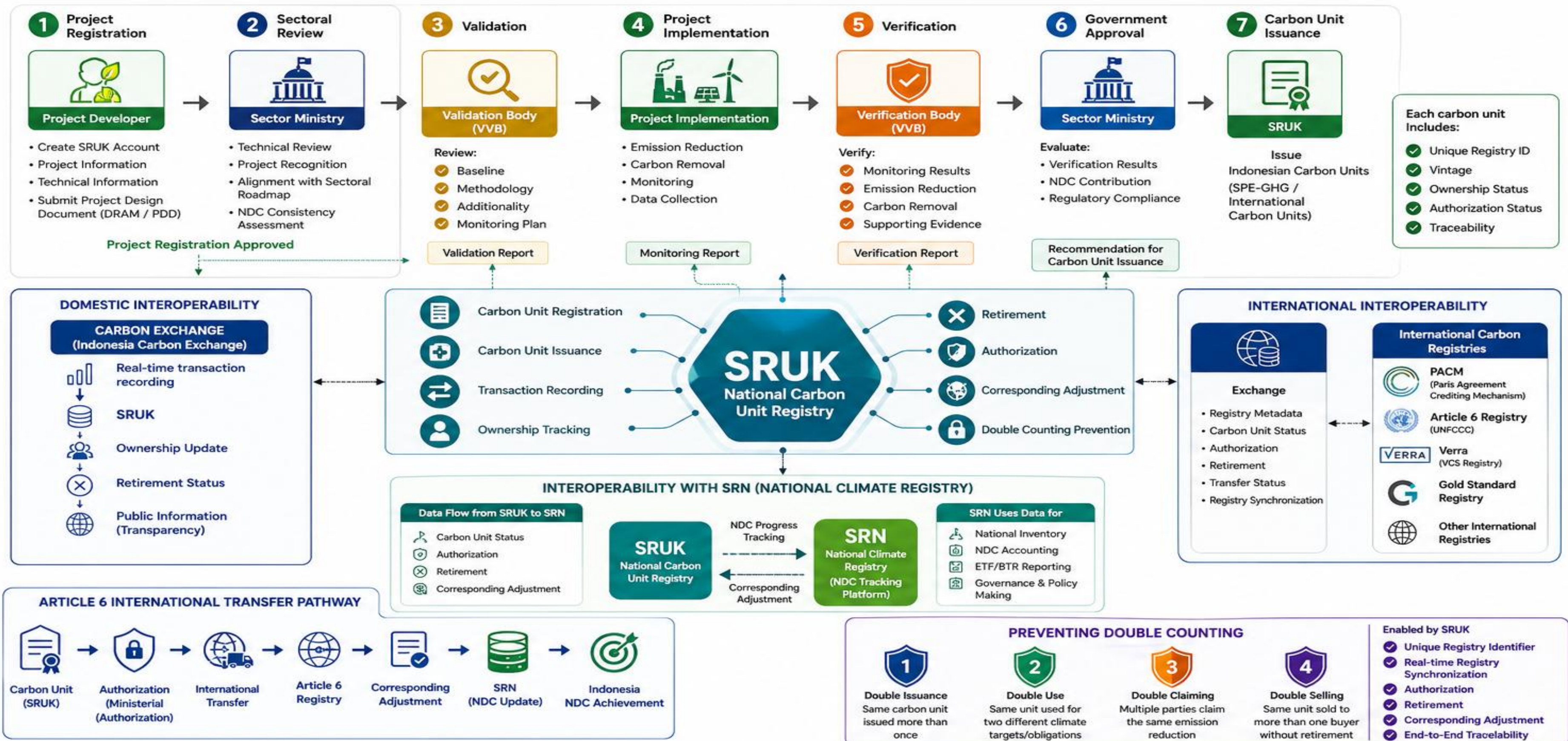


Legacy vs. SRUK

SRUK replaces fragmented, siloed registries with a unified decentralized network eliminating double counting.

INDONESIA CARBON UNIT REGISTRY SYSTEM (SRUK)

Business Process and Interoperability Architecture



INTEGRATED DIGITAL CARBON REGISTRY ECOSYSTEM



MRV



SRUK



CARBON EXCHANGE



INTERNATIONAL REGISTRY



SRN



UNFCCC



ETF / BTR



Environmental Integrity



Transparency



Data Interoperability



High-Integrity Carbon Market



Paris Agreement Implementation



Sustainable Development

DECENTRALIZED NETWORK SYSTEM FEATURES

Real-Time Data Updates

SRUK operates on live data synchronization, ensuring all carbon unit transactions are recorded and visible instantly across the registry network.



Domestic & International Units

Registers both domestic SPEI-certified carbon units and internationally recognized carbon units within a single unified registry infrastructure.



SPE GRK Certificate Issuance

SRUK issues official SPE GRK certificates as formal proof of carbon unit ownership, certification status, and transaction history under Indonesian standards.



Prevention of Double Counting

Authorization protocols and corresponding adjustments ensure each carbon unit is counted only once, preserving environmental integrity and market credibility.



SRUK's decentralized network architecture ensures full interoperability with national and international carbon registries. The system is designed to support seamless data exchange, enabling transparent tracking of carbon units from issuance through retirement. Real-time updates eliminate information gaps and reduce the risk of fraud or misreporting across all market participants.

By integrating authorization mechanisms and corresponding adjustments directly into registry operations, SRUK aligns with Article 6 of the Paris Agreement. This ensures that international carbon transfers used toward other countries' NDC obligations are accurately reflected, maintaining Indonesia's climate accounting integrity and investor confidence.

CARBON TRADING MECHANISMS IN INDONESIA

Indonesia's carbon market operates through multiple complementary mechanisms under the SRUK framework. Domestic mechanisms include GHG Emissions Trading (Perdagangan Emisi GRK), where regulated entities exchange emission allowances, and GHG Emission Offsetting (Kompensasi Emisi GRK), enabling entities to offset excess emissions through certified carbon units. International transactions require formal authorization and corresponding adjustments to prevent double counting and ensure alignment with Indonesia's NDC commitments under the Paris Agreement. Performance-Based Payments and Carbon Levies serve as complementary fiscal mechanisms reinforcing market integrity and government revenue generation.



GHG Emissions Trading

Domestic cap-and-trade system allowing regulated entities to buy and sell emission allowances within Indonesia's carbon market.



GHG Emission Offsetting

Entities offset excess emissions using certified domestic (SPE GRK) or recognized international carbon units registered in SRUK.



International Transactions

Authorized cross-border carbon transfers with mandatory corresponding adjustments ensuring NDC integrity and preventing double counting.



Performance-Based Payments

Carbon Levies and Performance-Based Payments complement market mechanisms, reinforcing government commitment to emissions reduction targets.

CARBON UNIT TYPES REGISTERED IN SRUK

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Indonesia's SRUK registry recognizes and manages three distinct categories of carbon units, each governed under Presidential Regulation No. 110/2025 and Ministerial Regulation No. 10/2026. This classification ensures regulatory clarity, market integrity, and full alignment with both domestic policy objectives and international carbon standards under the Paris Agreement.

SPE GRK

Domestically certified carbon units issued under the SPEI standard. Verified and registered within SRUK for use in Indonesia's national carbon market and NDC fulfillment.

Non-SPE GRK

Internationally certified units recognized under UNFCCC mechanisms, Paris Agreement Article 6, Verified Carbon Standard, Gold Standard, and other approved international standards.

GHG Emission Quotas

Regulatory allowances allocated under Indonesia's domestic GHG emission control scheme. Tradeable within the national emissions trading system and tracked via SRUK.

AUTHORIZATION & CORRESPONDING ADJUSTMENTS

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INTERNATIONAL TRANSFERS

Authorization is required for all international carbon transfers used toward other countries' NDCs or mitigation obligations. SRUK ensures corresponding adjustments are applied to prevent double counting and uphold environmental integrity.



MARKET INTEGRITY

Real-time recording of all transactions in SRUK guarantees full transparency and traceability. This robust mechanism maintains the credibility of Indonesia's carbon market and builds confidence among international investors and partners.

RELATIONSHIP BETWEEN SRN AND SRUK

Under Presidential Regulation No. 110 of 2025

Implementing Nationally Determined Contribution (NDC) and Article 6 of the Paris Agreement

PRESIDENTIAL REGULATION NO. 110 OF 2025

on the Implementation of Carbon Economic Value Instrument and National Greenhouse Gas Emission Control



NDC as the Highest National Climate Commitment
All instruments must support NDC achievement



Integrity, Transparency, and Accountability
Prevent double counting and ensure environmental integrity



NEK as an Instrument
To mobilize mitigation actions and support low carbon development

SRN National Climate Registry (NDC Level)

MANDATE (PRESIDENTIAL REGULATION NO. 110 OF 2025)

- Register mitigation actions and policies
- Track NDC progress
- Account for emission reductions
- Track use of ITMOs and corresponding adjustments
- Consolidate data for UNFCCC reporting (ETF/BTR)

KEY DATA IN SRN



NDC Nationally Determined Contribution (Highest National Climate Commitment)



INTEGRATED NATIONAL DATA ECOSYSTEM

One Country,
One Accounting,
One NDC

SRUK Carbon Unit Registry (NEK Implementation Level)

MANDATE (PRESIDENTIAL REGULATION NO. 110 OF 2025)

- Register mitigation projects and activities
- Validate and verify emission reductions
- Issue, track and retire carbon units
- Authorize international transfer
- Record transactions (domestic & international)
- Prevent double counting of carbon units

KEY DATA IN SRUK



IMPLEMENTATION OF ARTICLE 6 OF THE PARIS AGREEMENT

- Mitigation Activity**
Registered and verified in SRUK
- Authorization**
The Government authorizes international transfer
- International Transfer**
Carbon units transferred as ITMOs under Article 6
- Corresponding Adjustment**
SRUK records CA and sends data to SRN
- Report to UNFCCC**
SRN includes CA in national reporting (ETF/BTR)

ENSURES

- Environmental Integrity
- Avoidance of Double Counting
- Transparency and Traceability

DATA FLOW FROM SRUK TO SRN



SRN PROCESSES AND USES DATA



DATA FLOW FROM SRN TO SRUK



INTEROPERABILITY AND STAKEHOLDERS



SECTOR MINISTRIES / INSTITUTIONS
Implement mitigation actions and provide data



INDONESIA CARBON EXCHANGE
Trading platform for carbon units

SRN



SRUK

Interoperable and synchronized registries for transparency and integrity



ARTICLE 6 REGISTRY / INTERNATIONAL REGISTRIES
e.g. UNFCCC Article 6 Registry, PACM, Verra, Gold Standard, etc.



UNFCCC TRANSPARENCY SYSTEM (ETF/BTR)
International reporting by Indonesia

→ Data flow from SRN to SRUK

→ Data flow from SRUK to SRN

→ Process flow for Article 6 implementation

↔ System interoperability / synchronization



ONE NDC. ONE ACCOUNTING. ONE REGISTRY ECOSYSTEM.

Strengthening Transparency, Ensuring Environmental Integrity, and Delivering High-Integrity Carbon Markets for Indonesia and the World.

RECOGNITION OF INTERNATIONAL STANDARDS & REGISTRY INTEROPERABILITY

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Presidential Regulation No. 110/2025 recognizes internationally certified carbon units, including those under Verified Carbon Standard (VCS), Gold Standard, UNFCCC mechanisms, and other approved standards. Indonesian authorities oversee a formal approval process to validate new international standards for integration into SRUK. The system is designed for full interoperability with Indonesia's Carbon Exchange (IDXCarbon) and international registries, enabling seamless cross-border carbon transactions with full traceability and corresponding adjustment capabilities.



**Recognized
International
Standards**



**Standard Approval
Process**



**Registry
Interoperability**

INVESTMENT CONSIDERATIONS FOR GLOBAL INVESTORS

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Regulatory Clarity & Certainty

Presidential Reg. 110/2025 and Ministerial Reg. 10/2026 reduce market uncertainty and legal risks for investors.



Transaction Security

SRUK's transparent, decentralized infrastructure ensures real-time traceability and prevents double counting.



International Standards Alignment

Recognition of VCS, Gold Standard, and UNFCCC mechanisms facilitates seamless cross-border carbon transactions.



Forestry & Voluntary Carbon Markets

Significant opportunities in Indonesia's forest carbon projects and voluntary carbon markets, backed by government commitment.



Indonesia's carbon market is underpinned by a robust regulatory framework that provides the clarity and certainty international investors require. Presidential Regulation No. 110/2025 and Ministerial Regulation No. 10/2026 establish clear rules governing carbon transactions, reducing uncertainty and enabling confident market participation.

**A credible carbon pricing is ...
Carbon pricing that maintains the NDC**



Thank you



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