



# UAE's Climate Change Law Mandatory Emissions Reporting Obligations

November 2025



## In brief

The Federal Decree-Law No. (11) of 2024 on the Reduction of Climate Change Effects (the “Climate Change Law” or “Law”) in the United Arab Emirates entered into force on 30 May 2025 and requires in-scope entities to measure, report and reduce greenhouse-gas (GHG) emissions. With implementing rules still evolving and the Measurement, Reporting & Verification (MRV) platform only recently launched, organisations must begin preparing now to avoid compliance gaps ahead of the 30 May 2026 reporting deadline.

Immediate priorities for legal and compliance teams include mapping reporting exposure, establishing governance, integrating obligations into risk and audit frameworks, reviewing contracts, and building emissions-data systems, drawing on lessons from similar international schemes where early preparation was critical to smooth implementation.

## In detail

### Overview of the regulatory trigger

The Climate Change Law [introduces](#) legally enforceable emissions-reporting obligations for designated entities (“Sources”), with regulatory oversight and sanctions for non-compliance. .  
[link to PwC webinar video]

### Key points:

- **Obligations:** Although some specific obligations (such as designation of “Sources”, issuance of regulations and an MRV platform) remain in development, the compliance deadline for full obligations is 30 May 2026 (subject to any extension).
- **Sanctions:** administrative fines of AED 50,000 to AED 2,000,000 for first offences, with potential doubling for repeated violations within two years.

### Scope and core obligations

**Applicability:** The Law applies to “Sources” defined broadly as

- public and private legal persons, and
- individual enterprises whose operations result in GHG emissions

**Geographic coverage:** The law explicitly covers entities in the UAE mainland and free zones.

Although further detail will be set out in implementing regulations and guidance, core obligations include:

- Regular measurement of emissions and preparation of an emissions inventory.
- Submission of periodic reports in forms approved by the Ministry of Climate Change and Environment (MOCCA) or relevant authority.
- Maintenance of records of measured emission quantities for at least five years, enabling regulator access.

Additional obligations include mitigation actions (e.g. clean energy, CCUS, offsets) and adaptation measures in certain sectors. Entities should assume they fall within scope unless they can demonstrate otherwise, as there is currently no minimum threshold carve-out.

### **Status of guidance and regulatory clarity**

While the MRV Transparency System and the Integrated Emissions Quantification Tool (IEQT) have been launched to operationalise reporting, significant aspects of the framework remain under development, including: the precise definitions of reporting boundaries (Scopes 1, 2, 3), allocation of reduction targets, verification standards, and transitional arrangements. Delaying preparation until all guidance is finalised may leave insufficient time to build the necessary systems, governance and contractual arrangements.

### **Lessons from international precedents**

- European Union Emissions Trading System (EU ETS)  
Early years highlighted major challenges in data readiness, non-standardised reporting, and weak integration with internal systems. Harmonised, verified emissions data proved critical to compliance.
- Australian carbon-pricing experience (Clean Energy Act 2011)  
The regime demonstrated that carbon reporting obligations must be supported by strong data assurance, stakeholder alignment, and clear compliance governance.

## Pre-legislation preparatory actions

Entities subject to emissions-reporting obligations in comparable regimes (including the EU ETS and Australian schemes) typically took the following steps ahead of go-live, which UAE-based organisations should now consider:

<b>Establish emissions baselines and data infrastructure</b>	Identify all relevant emissions sources, implement metering and monitoring processes, and ensure data capture aligns with expected MRV requirements under the UAE Climate Change Law, including five-year auditable record-keeping.
<b>Create internal climate-reporting governance</b>	Designate accountable owners for emissions reporting, define escalation and sign-off procedures, enhance board and risk reporting, and integrate climate-related compliance within enterprise risk-management and internal audit plans.
<b>Evaluate commercial and operational exposure</b>	Assess the operational cost implications of emissions reduction plans, review supply-chain and customer agreements for climate-data sharing and liability allocation, and prepare for possible financing, insurance, and tendering impacts linked to emissions performance.
<b>Plan mitigation and emissions-management pathways</b>	Develop reduction strategies (energy efficiency, renewable energy sourcing, electrification, CCUS, offsets) and prepare procurement and commercial strategies where emissions obligations may translate into cost, investor scrutiny, or reputational risk.

## Action plan for General Counsel and Compliance

The most effective starting point is to treat the Climate Change Law as a regulatory compliance framework, not an ESG initiative. Although emissions reporting contributes to an organisations broader ESG narrative, the Law imposes mandatory, legally enforceable, obligations with regulatory oversight, penalties and structure record-keeping requirements. This makes it fundamentally different from voluntary ESG frameworks like sustainability reports, CDP disclosures, or internal net-zero commitments.



### **Map your legal & regulatory exposure**

- Assess whether your organisation is likely to be designated a “Source” under the Law.
- Review existing reporting obligations (environmental permits, energy audits, sustainability).
- Identify how emissions-related data is currently generated, validated, approved and retained.



### **Build an internal compliance framework**

- Define accountable data owners and a clear legal sign-off process for emissions submissions.
- Establish documented policies and procedures for measurement, reporting, verification and five-year record-keeping.
- Integrate Climate Change Law obligations into your enterprise risk register and internal audit plan.



### **Review contracts & value chain exposure**

- Identify key supplier and customer contracts where climate-related data sharing, performance metrics or emissions-linked pricing may become relevant.
- Consider liability allocation for inaccurate emissions data, failure to meet reduction targets, or non-compliance with reporting requirements.
- Evaluate potential impacts on financing, insurance and tendering where emissions performance is a criterion.



### **Align legal, finance, sustainability, & internal audit**

- Establish a cross-functional working group (Legal/Compliance, Finance, Sustainability, Operations, Internal Audit).
- Align on data definitions, reporting boundaries and control frameworks that can be mapped to the MRV/IEQT architecture.
- Prepare to respond quickly as MOCCA and other authorities issue additional guidance, rather than building systems at the last minute.

## How PwC Legal Middle East can support you

PwC Legal has extensive experience advising governments, regulators, major utilities, energy producers, and industrial emitters across the EU, UK, Australia and the Middle East on carbon-pricing, emissions trading, and climate resilience governance transformation.

Our team has supported the design and implementation of national emissions reporting schemes and sector-specific compliance programs for power, water, industrials, large infrastructure, transport and logistics.

Drawing on this experience, we can support UAE-based organisations in:

- conducting legal and regulatory gap-assessments of emissions measurement and reporting readiness
- designing reporting governance frameworks and internal compliance policies
- reviewing contractual arrangements to address value-chain climate disclosures and liability allocation and
- preparing board-level briefing materials, reporting templates, and compliance implementation roadmaps.

PwC Legal can also work seamlessly with our climate and sustainability advisory, assurance, and consulting colleagues to provide integrated support across legal, technical, risk, carbon accounting and reporting requirements.

## Contact us



### **Amir Kordvani**

Partner, Head of Legal  
PwC Legal Middle East LLP  
[amir.kordvani@pwc.com](mailto:amir.kordvani@pwc.com)



### **Joanna McGuire**

Director, Energy Transition & Infrastructure  
PwC Legal Middle East LLP  
[joanna.mcguire@pwc.com](mailto:joanna.mcguire@pwc.com)



# Thank you

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