

# B.C. OBPS GUIDANCE

## Frequently asked questions for registration: operators and the carbon tax exemption

This guidance is complementary to the [Getting Started with the B.C. OBPS](#) general guidance. It is intended to assist industrial operations to determine who should register and how to claim the carbon tax exemption.

Nothing in this document should be construed as legal advice; businesses should seek legal counsel.

### WHAT IS A REGULATED OPERATION?

Regulated operations, including those designated as new entrants, are reporting operations that produce, or are designed and constructed to produce, a regulated product and participate in the B.C. OBPS. Regulated operations have a compliance obligation to emit less than their annual emissions limit or else pay for any excess emissions above their annual emission limit.<sup>1</sup>

Eligible operations may voluntarily participate in the B.C. OBPS by opting in as regulated operations. Regulated operations are exempt from paying the carbon tax for fuel and combustibles used to make regulated products but must meet their compliance obligation. Their obligations include accounting for all fuel and combustibles purchased for the operation, collecting year-round data on and reporting emissions, arranging monetary payments or providing compliance units, arranging verification, and other regulatory requirements. Operators should have sufficient control and direction of a regulated operation to be able to meet these obligations.

Operators are responsible for determining what constitutes their operations for the purposes of the GGIRCA. If there is significant confusion, operators may contact the Ministry to discuss what constitutes an operation or facility in a particular case.

<sup>1</sup> **When does an industrial operation become a regulated operation?** For regulated operations that had not produced a regulated product and had their “date of first shipment” (see GGERR section 1 (2) for definition) for the product prior to March 31, 2024: they become a regulated operation between when construction is completed and regulatory approvals to begin operations are in place or their date of first shipment. See section 18.2 of the GGERR for details.

## WHO IS THE OPERATOR?

---

The *operator* of a regulated operation is the person or persons who owns and/or controls and directs the operation. An operator can be an individual, a corporation, or a partnership. An operation can have multiple operators. All operators must self-identify and register; the Ministry does not determine the operator of a regulated operation, but rather, the GGIRCA and GGERR establish eligibility requirements for identification. If there are questions or concerns around who the operator of an operation is, those interested are encouraged to seek legal counsel.

Where a partnership operates a regulated operation, a general partner must represent the partnership in registering the partnership. All general partners will be responsible for meeting the obligations in the GGIRCA and the GGERR; they must determine amongst themselves how the partnership will meet its obligations. All general partners will also be able to purchase carbon tax exempted fuel and combustibles for the regulated operation's purposes.

Where a regulated operation has multiple operators, the operators must agree to designate one operator to be the operator for the purposes of B.C. OBPS. All operators remain responsible for the operation's compliance, and they may use the carbon tax exemption for the regulated operation.

## WHAT IS THE CARBON TAX EXEMPTION?

---

The carbon tax exemption applies to a "fuel" or "combustible" (as those terms are defined under the *Carbon Tax Act*) used by a regulated operation to produce a regulated product, or by a new entrant, if greenhouse gas emissions from using the fuel or burning the combustible will be attributable to the regulated operation or new entrant.

### **Who can claim a carbon tax exemption?**

The carbon tax exemption is available to anyone. However, a claimant who is not a regulated operation (e.g., employees, contractors, partners, subsidiaries, parent corporations) must be able to show that use of the fuel or combustible satisfies all of the conditions for exemption (e.g., it is being purchased for use by a regulated operation to produce regulated products or a new entrant, among other conditions; consult [this website](#)).

## HOW DO I CLAIM THE CARBON TAX EXEMPTION?

---

When purchasing fuel in B.C., claim the exemption by providing the seller with a fully completed FIN 467 Certificate of Exemption – B.C. Output-Based Pricing System Registrants (available April 1st, 2024) at or before the time of the sale.

When using imported fuel on which you have not paid carbon tax, or when burning a combustible, claim the exemption simply by self-assessing no carbon tax on the fuel or combustible.

Ensure in every case that your records show that the fuel or combustible was used by a regulated operation to produce a regulated product, or by a new entrant, and that greenhouse gas emissions from the fuel or combustible are attributable to the regulated operation.

## HOW DO I OBTAIN A REFUND OF CARBON TAXES PAID?

---

You can claim a refund of carbon tax you have paid or remitted on qualifying fuels and combustibles using the [FIN 108 Application For Refund Of Carbon Tax – Purchaser Of Fuel](#).

Note that only the person who paid the tax can claim the refund. If you require guidance on identifying the claimant on the FIN 108, or if you require any other guidance on carbon tax, contact the Ministry of Finance at [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca).