

# Carbon Credits, Tokens, Offsets

Instrument	Originates from	Represents
Carbon Offset	Projects capturing CO <sub>2</sub> from the atmosphere or preventing its emission	Given amount of carbon credits used to balance out the buyer's own CO <sub>2</sub> emissions
Carbon Credit	Projects capturing CO <sub>2</sub> from the atmosphere or preventing its emission	One tonne of CO <sub>2</sub> that was captured or never released or will be captured (e.g. by forest growth)
Carbon Credit, Tokenized	Carbon market participants who place their credits on the blockchain	A carbon credit which can be securely traded in a traceable, non-fungible way
Carbon Allowance	Government schemes to restrict CO <sub>2</sub> emissions	The right to emit the given quantity of CO <sub>2</sub>
Carbon Emissions Permit	Auction by government of emissions rights for a specific time period	The right to emit the given quantity of CO <sub>2</sub> during that time frame
Carbon Token	Carbon allowance schemes run by government to restrict CO <sub>2</sub> emissions	A unit of allowance, e.g. right to emit a tonne of CO <sub>2</sub> from a national carbon budget