



EU Deforestation Regulation

Overview

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Objective of the EUDR



Avoid that the listed products Europeans buy, use and consume contribute to deforestation and forest degradation in the EU and globally.



Reduce carbon emissions caused by EU consumption and production of the relevant commodities by at least 32 million metric tonnes a year.



Address global deforestation driven by agricultural expansion, as well as by forest degradation.

Penalties for the EUDR infringement

Fines of up to **4 %** of the **total** annual EU-wide turnover;

Confiscation of the relevant products;

Temporary prohibition from placing or making available on the market or exporting relevant commodities and relevant products

Confiscation of revenues gained by the operator and/or trader from a transaction with the relevant products concerned;

Temporary exclusion for a maximum period of 12 months from public procurement processes and from access to public funding

The product scope

Relevant Commodities



PALM OIL



SOYA



WOOD



COCOA



COFFEE



CATTLE



RUBBER

For each of these commodities Annex I to the EUDR lists particular products that are within the scope

Relevant Products



Relevant commodities	Relevant products (examples)
oil palm	palm nuts, palm oil and its fractions, oilcake, glycerol, palmitic acid, saturated acyclic monocarboxylic acids, industrial stearic acid, industrial oleic acid, industrial monocarboxylic fatty acids, industrial fatty alcohols
soya	soya beans, soya-bean flour, soya-bean oil and its fractions, oilcake and other solid residues, resulting from the extraction of soya-bean oil
wood	fuel wood, wood charcoal, wood in the rough, hoopwood, particle board, fibreboard, plywood, tools and tool parts, of wood, packing cases, of wood, tableware and kitchenware, of wood, wooden furniture, builders' joinery and carpentry of wood, prefabricated buildings of wood, pulp and paper
cocoa	cocoa beans, cocoa butter, cocoa powder, chocolate and other food preparations containing cocoa
coffee	coffee, coffee substitutes containing coffee in any proportion
cattle	live cattle, meat of cattle, leather of cattle
rubber	natural rubber, articles of vulcanised and hard rubber

Who has to comply with the EUDR?

Operators

- Any person who, places relevant products on the EU market or exports them from the EU market
- Importers, producers of the relevant products in the EU

Traders

- Any person in the supply chain other than the operator who makes available on the EU market relevant products

Key obligations



Prohibition

To place or make available on the EU market or exporting from EU *non-compliant* relevant commodities and relevant products



Obligation

to be able to place or make available the relevant products on the EU market, *operators and traders* must submit a *prior* due diligence statement

Which products are considered compliant?



Deforestation-free (**cut off date: 31 December 2020**)



Produced in accordance with the laws applicable in the country of production



Covered by a due diligence statement confirming that due diligence was carried out and that no risk, or only a negligible risk, was found that the relevant products are non-compliant

What information should appear in a due diligence statement?

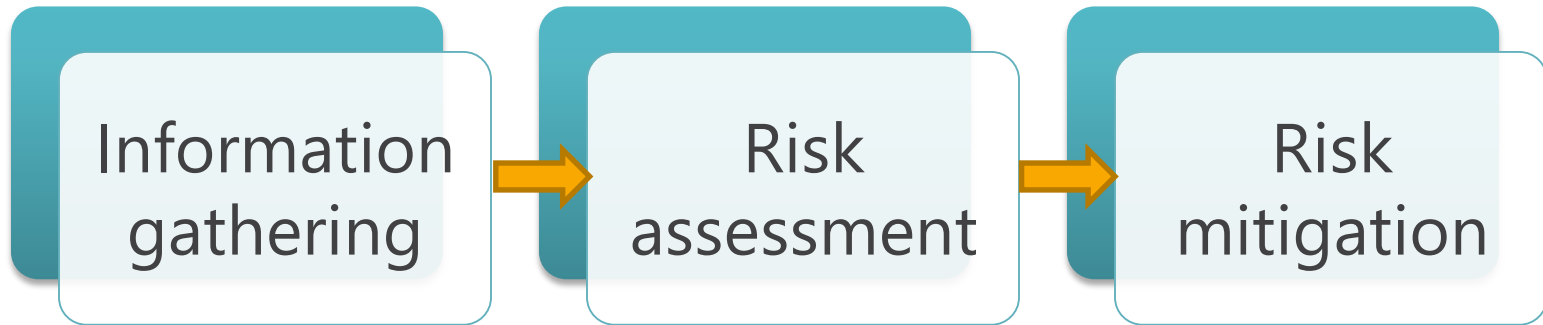
Operator's name, address, EORI number

Harmonised System code, product description, quantity

Country of production and the geolocation of all plots of land where the relevant commodities were produced

Signed statement confirming that due diligence was performed and no or negligible risk was found

Due diligence requirements for operators and traders



First element of due diligence: what does information gathering mean?



Country of production of the relevant product



Data on geolocation



Adequately conclusive and verifiable information that the relevant products are deforestation-free



Adequately conclusive and verifiable information that the relevant commodities have been produced in accordance with the relevant legislation of the country of production.

EUDR enforcement – annual checks by the competent authorities of Member States

Risk	Each relevant product checked	Operators checked
Low	1%	1%
Medium	3%	3%
High	9%	9%

The EUDR: key dates



Past

- **09 June 2023:** the EUDR is published in Official Journal
- **29 June 2023:** the EUDR enters into force; all countries are assigned standard level of risk

Future

- **by 30 December 2023:** Member States designate competent authorities
- **by 30 December 2024:** a list of the countries or parts thereof, that present a low or high risk is published; information system for submission of due diligence statements is created

The EUDR: key compliance dates



31 December 2020: deforestation and forest degradation cut-off date



29 June 2023: the EUDR applies to all relevant products produced from that date



30 December 2024: the EUDR prohibitions and requirements start applying to the operators/traders



30 June 2025: the EUDR prohibitions and requirements start applying to SMEs

FAQs published on 29 June 2023



Commission's clarifications in FAQs published on 29 June 2023

- For bulk products, such as soy or palm oil, all plots of land involved in a shipment must be geolocated
- Traceability information can be added up along supply chains. For instance, a shipment of soy that has been sourced in several hundred plots of land and several countries would need to be associated with a due diligence statement that includes all relevant countries of production and geolocation information for every single plot of land that has contributed to the shipment
- Mass balance chains of custody are not compliant with the EUDR; commodities placed on the Union market, or exported from it, need to be segregated from commodities of unknown origin or from non-deforestation-free commodities at every step of the supply chain
- For cattle products, all establishments associated with raising the cattle, encompassing the birthplace, farms where they were fed, grazing lands, and slaughterhouses must be geolocated

Key Takeaways

- 30 December 2024 is the key compliance date; however, production as of 29 June 2023 is already covered;
- Due diligence system should be set up as we speak and implemented in the course of 2024.
- Due diligence system for relevant products must eliminate the risk of non-compliant products being placed on the EU market;
- Information gathering must result in the geolocation data being available for all relevant products;
- Information gathering must result in adequately conclusive and verifiable information being available that the relevant products are deforestation-free.
- Risk mitigation measures should be implemented

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