

# **New Commission Guidelines on EUDR Simplification Package**

### **KREAB Policy Brief for UCAB**

April 16, 2025

On April 15, the European Commission issued a new simplification package for the EU Deforestation Regulation with new FAQs and Guidance for companies and Member States' competent authorities. The Commission thereby follows up on its pledge from last year to explore further simplifications in 2025 before the entry into application of the law.

The Commission's proposed simplification measures aim to significantly reduce the number of due diligence statements to be submitted to the EU's IT system. With the measures detailed below, the Commission claims to reduce the administrative burden and costs for companies by 30%. At the core of the proposed simplifications is the assurance that due diligence statements would only need to be submitted once a year and not for every shipment or batch.

Alongside the updated FAQs and Guidance, the Commission also opened a <u>public</u> <u>consultation</u> with interested stakeholder organizations on a Delegated Act clarifying the application of the Regulation to certain "special cases" of products and adjusting the relevant HS code but without making any changes to the overall scope of relevant commodities.

#### Assessment

While primarily targeting EU operators and traders, the measures also have the potential of reducing the administrative burden for third country producers if they are successful in reducing the number of requests for data directed to them. However, please note that these documents do not touch upon the core legal obligations of the EUDR. They merely provide support for the interpretation of the legal obligations. Companies might still decide that risks of non-compliance can be reduced by collecting data more frequently.

The simplification package does not contain any new information on the substance of the benchmarking process. However, the Commission confirmed that it is finalising the ranking for adoption by 30 June after consultation with Member States.

## Next steps

• By 30 June: Publication of the EUDR country benchmarking system



#### **EXTENDED ADVISORY**

# <u>Simplification of the EU Deforestation Regulation - 15 April 2025</u>

## **Updated Guidance and FAQs**

The new version of the Guidance and FAQs are the first update since October 2024 and contain several changes that are meant to simplify the application of the EUDR.

- Quantity of due diligence statements: The Commission clarified that
  companies can submit due diligence statements annually and not for every
  shipment or batch placed on the EU market. Looking at previous versions of the
  FAQs, this possibility already existed, but confirmation by the Commission from
  April 15 with slightly re-adjusted wording provides more assurance to
  companies that an annual submission of due diligence statements for
  different shipments/batches covering different products is
  possible. However, individual due diligence statement must still align with
  the practical data size limit of 25 MB. Importers must also consider that a due
  diligence statement covering multiple shipments/batches increases complexity
  and thereby the risk of non-compliance.
- **Re-importing a product:** Due diligence statements can be re-used when products are re-imported that were previously exported from the EU.
- Simplification for downstream companies: Under the EUDR, downstream companies that purchase products already imported into the EU and placing them again on the market are also subject to EUDR obligations. They must ascertain that their upstream business partners have conducted due diligence. Under the new guidance and FAQs, large downstream companies can fulfill their obligations by simply including the reference and verification numbers of the upstream due diligence statement in their own due diligence statement. No further data collection or risk assessment is needed.
- **Authorised representative:** The Commission creates the possibility for EU companies to mandate an authorised representative to submit the due diligence system and details the registration requirements in the Information System.
- Annual report deadline: The first annual report for large companies acting as operators under the EUDR must be published after 30 December 2026 covering the year 2026.

## **Delegated Act**



The Commission issued a draft Delegated Act making targeted amendments to the list of products in scope of the EUDR in Annex I. This draft Delegated Act is subject to a public consultation until 13 May and could be adopted by the European Commission afterwards unless Member States or the European Parliament object.

The draft Delegated Act undertakes targeted amendments, mainly by gradually adjusting the list of HS of products in scope as well as providing clarity on the treatment of certain special cases.

- It is clarified that waste products do not fall into the scope of the Regulation.
- Any samples and products used for examination, analysis, or testing purposes are not subject to the obligations.
- In line with previous versions of the FAQs and Guidance, the Delegated Act clarifies that packaging in its own right is in the scope of the Regulation but packaging used to support, protect, or carry another product is not in the scope.
- It is clarified that accessory materials (leaflets, catalogues, marketing materials) are not in the scope of the Regulation if they accompany another product.

Items of correspondence do not count as placing on the market and are therefore not in the scope of the Regulation.