

EUDR: Analysis of the new questions in the European Commission's FAQ on the Deforestation Regulation

Update: 18 February 2025

In November 2024, the European Commission published a [guidance document](#) to complement the [FAQs](#) on the EU Deforestation Regulation (EUDR). This document clarifies the obligations of operators and traders on key issues: definition of deforestation and degradation, obligations of economic operators, responsibilities of subsidiaries, and implications for business groups. This document analyses the main points raised in these questions, illustrating them with concrete examples.

This document constitutes an interpretation by the ATIBT and LCB of the issues addressed in the FAQ and the guidance documents of the European Commission relating to the EU RD. In case of discrepancy or uncertainty, only the official texts of the European Commission (FAQ and guidance) are authentic and prevail.

Contents

I.	Global deforestation and the definition of forest	2
II.	Forest degradation and implications for the timber trade.....	2
III.	Obligations of operators, traders, groups and subsidiaries	6
IV.	Strict traceability and excess declarations	11
V.	Certification.....	12
VI.	Transitional period.....	12
VII.	Penalties	12

I. Global deforestation and the definition of forest

I.1. Global deforestation

According to the FAQ (Q4.1), global deforestation is defined as the conversion of forests to agricultural land after 31 December 2020, whether human-induced or natural. This includes any loss or destruction of forest ecosystems to create agricultural land after the 31 December 2020 deadline. **The European Commission specifies that conversion for other purposes, such as urban development or infrastructure, is not included in the definition of deforestation (Q4.11 of the EC FAQ).**

For example, wood from a forested area that has been legally harvested to build a road would comply with the regulation. In the case of a forest that has suffered a fire and is then converted to agricultural land (after the cut-off date) would be considered as "deforestation" within the meaning of the regulation. In this specific case, an operator would be prohibited from sourcing timber from this area (but not because of the forest fire). Conversely, if the affected forest is allowed to regenerate, this would not be 'deforestation' and an operator could source timber from that forest once it has grown back.

I.2. Definition of forest

Forest is defined in article 2(4) of the regulation, on the basis of criteria established by the Food and Agriculture Organisation of the United Nations (FAO). An area is considered to be a forest if it :

- Has or plans to have more than **10%** plant cover.
- Is populated by trees capable of reaching a height of **5 metres or more (Q4.10 of the EC FAQ).**

This definition includes :

- **Young stands of trees** that have not yet reached these thresholds but are likely to do so at maturity.
- **Temporarily non-wooded areas** that are still dominated by forestry use

For example, after felling followed by reforestation.

II. Forest degradation and implications for the timber trade

II.1. What does "without inducing forest degradation" mean?

What does "without inducing forest degradation" mean in the definition of "without deforestation" for products made of wood or from wood? (Q4.5 FAQ)

To comply with the definition of "no deforestation", the wood used must have been harvested without causing forest degradation after 31 December 2020. This means that the wood cut must not cause lasting damage to the forest ecosystem.

The term "induce" establishes direct responsibility: if timber harvesting is the cause of forest degradation, it does not comply. On the other hand, other factors such as climate change or fires, which are not linked to forestry, are not taken into account by the regulations.

What should operators check?

Operators must analyse the data available at the time of harvest, in particular:

- Local legislation on forest management,
- Forest management plans,
- Actions planned for reforestation, restoration or conservation after harvesting.

These factors make it possible to assess whether there is a risk that the felling will damage the forest.

What about forests that are already degraded?

- **Forest still degraded:** if a forest remains degraded due to felling after 31 December 2020, any timber harvested in this area will not be considered as "no deforestation".
- **Regenerated forest:** if the forest recovers and is no longer considered to be degraded, timber cut at a later date may comply with the regulations.

In short, the wood must come from areas where forest management respects forest regeneration and avoids any sustainable degradation. The EU RD requires products to come from forests **without sustainable degradation**, including :

- The conversion of natural forests into plantations;
- Structural impacts caused by human exploitation.

Examples:

Compliant: selective felling followed by natural regeneration.

Non-compliant: clear-cutting followed by conversion to homogeneous planting.

Compliant: harvesting after a fire if the purpose of the harvest is to protect the forest and regeneration is assured.

Non-compliant: a post-fire harvest with a single-species reforestation plan.

II.2. How to check forest degradation

How do you check whether a wood product complies with the rules against forest degradation, and what period should be used as a basis? (Q4.6 FAQ CE)

To be compliant, a wood product must come from forests that have not been **degraded**. Forest degradation means the transformation of **primary forests** or **naturally regenerating forests** into :

- **Planted** forests,
- Other **wooded land** (e.g. deforested areas that have been partially replanted).

What needs to be checked?

Operators must check :

- **The type of forest before 31 December 2020 :**
Was it a primary or naturally regenerating forest?
- **Forestry activities carried out after this date :**
Have these activities caused or are they likely to cause the forest to be transformed into a plantation or other type of woodland?

To do this, we need to examine :

- Local legislation on forest management,
- Sustainable management plans and reforestation projects,
- The likely impact of operating activities,
- The measures planned to regenerate or protect the forest after harvesting.

When is a wooden product non-compliant?

A wooden product **may not be sold on the EU market** if :

- There is a risk that harvesting has caused or is causing forest degradation,
- This risk has not been reduced to zero or negligible.

Examples of forest degradation risks:

- The management plans show that the planned activities are not enough to protect the forest,
- The activities carried out do not comply with what was provided for or authorised by law,
- Post-harvest plans (plantation or other) result in the conversion of forest to plantation or woodland,
- There is no regeneration plan (such as planting or seeding).

In short, any timber harvested must comply with the definitions set out in the regulation to prevent forest degradation and ensure sustainable management. If there is any doubt about the final destination of the plot or the impact of the activities, the product cannot be marketed in the EU.

Illustrated example of certification in a forest in the Congo Basin

An FSC or PAFC certified forest concession in a tropical forest in the Congo Basin

1. Selective harvesting: the concession practises selective harvesting (1 to 2 trees per hectare), leaving the forest to regenerate naturally. Management plans ensure that the forest cover remains above 10% and that biodiversity is preserved.
Compliance: wood products from this concession comply with the EU RD, as they do not cause any degradation or structural conversion of the forest.
2. Natural regeneration: After logging, areas are left to regenerate naturally to restore ecological functions. The forest retains its primary or natural regeneration status.
Compliance: this management complies with the "no deterioration" criteria of the EUDR.

Added value of certifications for compliance with the EUDR : certifications such as FSC and PEFC provide a framework to help operators demonstrate their compliance with the EU RD:

- Robust documentation: certification audits and reports provide evidence that forestry practices comply with sustainability criteria.
- Preventing degradation: certification prohibits the conversion of primary forests and imposes rigorous regeneration standards.
- Transparency and traceability: certified chains of custody guarantee that wood products come from responsible sources.

What happens if problems of conformity arise after the due diligence declaration has been submitted? (Q 4.8 EC FAQ)

If due diligence has been carried out correctly. When a product is placed on the EU market with a valid declaration:

- It is the operator's responsibility to check all the information available before declaring.
- If a problem occurs later, but was not foreseeable at the time of declaration, this will not affect the conformity of the product or the responsibility of the operator.

On the other hand :

- If the due diligence has been carried out incorrectly (for example, by overlooking known data or risks), the products concerned will not be compliant, and the operator will not be able to rely on this declaration.

III. Obligations of operators, traders, groups and subsidiaries

III.1. How do I determine the category of my company or group of companies?

Am I a micro, small, medium or large company? Or a small, medium or large group?

To define micro, small, medium and large enterprises, the RDUE refers to Article 3 of Directive 2013/34/EU of the European Parliament and of the Council

It is essential to know the category of your company or group for two reasons:

- **the timetable for application of the EUDR :**
 - 30 December 2025 for medium-sized and large companies.
 - 30 June 2026 for micro and small businesses.
- **regulatory obligations :**
 - They differ depending on whether or not your company or group is considered an SME.



Directive 2013/34/EU is integrated into each Member State, so these thresholds may vary from one Member State to another. Please contact your competent authorities.

EU criteria: [Directive - 2013/34 - EN - ifrs - EUR-Lex](#)

Company category	Number of employees	Net sales	Balance sheet total
Micro-business	10	900 000	450 000
Small business	50	10 000 000	5 000 000
Medium-sized company	250	50 000 000	25 000 000
Large companies	More than 250	More than 50,000,000	More than 25,000,000

Criteria FR: [Decree No 2024-152 of 28 February 2024 on the adjustment of size criteria for companies and groups of companies](#)

III.2. What are my obligations if I am an upstream operator?

Within the meaning of [Article 2\(15\)](#) of the Regulation, an operator is a natural or legal person who places the products in question on the market for the first time (via an import) or exports them in the course of a commercial activity.

➔ The RDUE will apply from **30 December 2025** for medium-sized and large companies and from **30 June 2026** for micro and small companies.

No SME	SMES
① Due Diligence System	
<p style="text-align: center;">For countries classified as low risk by the EC:</p> <ul style="list-style-type: none"> ✓ Data collection (Article 9 EUDR) : <ul style="list-style-type: none"> - Product description (trade name, essence, HS CODE) <ul style="list-style-type: none"> - Quantity (mass, customs unit) - Country of harvest, geolocation of harvest plots, date of harvest <ul style="list-style-type: none"> - Name and address of suppliers and customers - Non-deforestation and non-degradation information <ul style="list-style-type: none"> - Information on legality <p style="text-align: center;">For countries classified as standard or high risk by the EC:</p> <ul style="list-style-type: none"> ✓ Gathering information (Article 9 of the EUDR) ✓ Risk assessment (article 10 RDUE) ✓ Risk mitigation (article 11 RDUE) 	
② Due Diligence Statement	
<ul style="list-style-type: none"> ✦ Register of due diligence declarations for five years ✓ Product description: customs nomenclature HS CODE + trade name + full scientific name of essences ✓ Quantity of product (mass + volume according to HS CODE) ✓ Country of production and geolocation of plots 	
③ Organisation and reporting	
<ul style="list-style-type: none"> 📅 Appointment of an RDUE compliance officer ✦ Record of updates to the due diligence procedure ✦ Publication of an annual report 	None

III.3. Obligations of downstream operators and

Downstream operators are companies that transform an [Annex I](#) product (which has already undergone due diligence) into another Annex I product.

For example, if company A, established in the EU, buys sawn timber from company B, also established in the EU, to make decking boards and places them on the market, company A will be considered a (downstream) operator within the meaning of the Regulation.

Traders are those companies in the supply chain, other than the operator, which, in the course of a commercial activity, make the products in question available on the market.

For example, company A buys terrace boards from company B, also established in the EU, to make them available on the market (without any processing activity).

See table p9

No SME	SMES
<p>① Due Diligence System:</p> <ul style="list-style-type: none"> ✓ Verification that due diligence has been carried out in accordance with Articles 8, 9, 10 and 11 of the EUDR. <p>② Due diligence Statement :</p> <ul style="list-style-type: none"> ✓ Product description: customs nomenclature HS CODE + trade name + full scientific name of essences ✓ Product quantity (mass + volume according to HS CODE) ✓ Country of ✗ no geolocation coordinates or harvest date entered ✓ Reference number of previous Declaration of Due Diligence + verification number <p>③ Organisation and reporting</p> <ul style="list-style-type: none"> 📅 Appointment of an RDUE compliance officer ✗ Record of updates to the due diligence procedure ✗ Publication of an annual report 	<p>① Information collection:</p> <ul style="list-style-type: none"> ✓ name and address of the operators or traders who supplied the products + reference numbers of the due diligence statements relating to these products ✓ name and address of the operators or traders to whom they supplied the products in question

III.4. Does a subsidiary belonging to a non-SME group have to make a Declaration of Reasoned Diligence (DDS) when it sells products to another subsidiary in the same group?

Yes, a subsidiary belonging to a group that is not considered an SME must make a Declaration of Reasoned Diligence (DDS) when it sells products to another subsidiary of the same group if this transaction is considered as "making available on the market". Under the EU RD, any entity that places a relevant product on the EU market, makes it available or exports it is responsible for ensuring that the product complies with the regulation. The sale of products between subsidiaries of the same group may be considered as "making available on the market" if these products are subsequently distributed or used on the EU market.

In this case, the subsidiary must :

- Perform due diligence to ensure that products sold do not contribute to deforestation.
- Submit an RFI for the products concerned, proving that all the necessary checks have been carried out to ensure compliance. Even if the sale is internal to the group, the requirements of the regulation apply, and each subsidiary that places products on the market must comply with due diligence obligations.

III.5. Can a subsidiary be the agent of its group or of another subsidiary?

Yes, a subsidiary may be appointed as agent for its group or for another subsidiary, but certain conditions must be met, according to the RDUE.

- Appointment as proxy: a subsidiary may act as proxy to submit, on behalf of its group (for example, for the parent company or other subsidiaries), the due diligence statement required by the Regulation. The appointment of a proxy must be clearly documented in a written mandate.
- Documents required: the authorised representative (in this case, the subsidiary) must be able to provide the competent authorities with a copy of the mandate, drawn up in an official language of the European Union and, if necessary, in the official language of the Member State where the declaration is processed, or in English.
- Responsibility for compliance: even if the subsidiary acts as an agent, responsibility for the product's compliance with the regulation remains with the operator or trader (e.g. the parent company or another group entity) who places the products on the market or exports them.

IV. Automated declarations for Non-SME companies

How can I reduce the time needed to submit due diligence declarations on the IS platform? Can I develop APIs with my ERP software to automate this process?

Yes, you can develop APIs to integrate your ERP software with the EU IS platform. This would allow your ERP to automatically send the necessary information, generate due diligence declarations, receive DDR (reference and verification) numbers, and record them directly in your system, reducing the time and effort required for compliance.

Source: Technical documentation for the EU IS platform, which may provide specifications on the APIs available to automate the declaration process. You should check directly with the European Commission for details of APIs and integration protocols.

https://green-business.ec.europa.eu/deforestation-regulation-implementation/information-system-deforestation-regulation_en

[Forests - Library](#)

V. Strict traceability and excess declarations

Operators must provide precise GPS coordinates of the parcels of origin:

- **Parcels > 4 ha:** Polygons with six decimal digits.
- **Plots ≤ 4 ha:** One GPS point is sufficient.
- **Accepted format:** the Information System currently supports the GeoJSON file format.

Excess declaration (Q1.18 EC FAQ)

For composite products, operators may declare several parcels. This involves declaring the details of several plots, including those that are not directly linked to the specific production of the goods placed on the market. This can happen with composite products such as panels. However, this practice is subject to strict conditions:

- **Increased responsibility:** all declared plots must be compliant. If a single declared parcel is deemed non-compliant (for example, if it is linked to deforestation), all declared parcels will be considered non-compliant.
- **Benefits:** simplifies logistics management in low-risk regions.

What precautions should operators take to avoid non-compliance in the event of over-declaration?

The operator must carry out a thorough risk assessment for each declared plot, including:

- Identify and assess the risk of deforestation or mixing with products of unknown origin.
- Demonstrate that these risks are negligible before placing products on the market.
- Check the risk criteria, such as the difficulty of linking the products to the parcels of origin or the possibility of circumventing the regulations.

VI. Certification

Certification schemes can be used by members of the supply chain to assess risk more easily, as the certification contains the information they need to fulfil their obligations under the Regulation. Operators and traders who are not SMEs nevertheless remain obliged to exercise due diligence and will remain liable in the event of a breach of the Regulation.

(see box p5 on the case of a certified forest in the Congo Basin)

VII. Transitional period

Products placed on the market between 29 June 2023 and the entry into force of the regulation do not require a declaration if verifiable proof is provided (e.g. customs documents, harvest certificates).

VIII. Penalties

In the event of non-compliance :

- **Fines:** up to 4% of annual turnover.
- **Confiscations:** products concerned or income.
- **Temporary bans:** access to public markets.

Member States must incorporate these sanctions into their legislative framework, ensuring that they are **effective, proportionate and dissuasive**.

EU Member States are obliged to incorporate these sanctions, taking into account **Directive 2008/99/EC** on the protection of the environment through criminal law, which refers to the liability of companies for offences committed under the authority of their directors.

In summary: Companies are responsible for compliance, but managers can also be prosecuted if insufficient due diligence leads to serious environmental damage.