Council of the European Union

Brussels, 10 November 2025
(OR. en)

15065/25

Interinstitutional File:
2025/0329 (COD)

LIMITE

ENV 1179
CLIMA 515
FORETS 118
AGRI 583
RELEX 1425
CODEC 1745

PUBLIC

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2023/1115 as regards certain obligations of operators and traders - Mandate for negotiations with the European Parliament

I. INTRODUCTION

1. Regulation (EU) 2023/1115 (the "Deforestation Regulation") establishes rules aimed at ensuring that seven commodities (cattle, cocoa, coffee, oil palm, rubber, soya, and wood) and their derived products, which are placed on the EU market or exported from the EU, have not caused deforestation or forest degradation during their production.

2. On 21 October 2025, the Commission submitted a proposal for amending the Deforestation Regulation as regards certain obligations of operators and traders[1].

[1] Document 14329/25.

3. The Commission's proposal has two main aims: 1) a targeted simplification of the due diligence process and 2) a delay of the date of application of the Deforestation Regulation until 30 December 2026 for micro and small operators together with the introduction of a period of grace of six months for medium and large operators.

4. The Economic and Social Committee and the Committee of the Regions have been consulted. In the European Parliament, the ENVI Committee has the lead on this proposal. The proposal is on the agenda of the Committee meeting on 11 November 2025. It is expected that the European Parliament will proceed according to the urgent procedure set out in Rule 170(6) of the Parliaments' Rules of Procedure (plenary vote without written Committee report).

II. CURRENT CONTEXT

5. Following concerns expressed by public administrations and economic stakeholders regarding the implementation of the Deforestation Regulation, on 3 October 2024, the Commission put forward a proposal[2] to postpone the deadline of application of the Deforestation Regulation by one year. Coreper adopted its mandate of no changes to the Commission's proposal on 16 October 2024 and reiterated it on 20 November 2024. The amending regulation[3] was adopted on 18 December 2024 by written procedure, with no changes to the text of the Commission's proposal, thereby extending the application of the Deforestation Regulation to 30 December 2025.

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2 Document 14141/24.

3 Regulation (EU) 2024/3234 of the European Parliament and of the Council of 19 December 2024 amending Regulation (EU) 2023/1115 as regards provisions relating to the date of application (OJ L, 2024/3234, 23.12.2024).

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6. Article 33 of the Deforestation Regulation foresees the establishment of an Information System for the implementation of the Deforestation Regulation. The Commission launched the Information System on 4 December 2024, thus allowing operators, traders and their authorised representatives to start registering and submitting due diligence statements. Throughout 2025, however, it became evident that the number of uploads and recorded transactions would be much higher than anticipated, with potential negative effects for the smooth functioning of the system. At the same time, multiple companies and stakeholders voiced concerns about the administrative burden resulting from the obligations, particularly for small operators.

7. To address the concerns raised and to allow for a more efficient use of the Information System, the Commission put forward the current amending proposal to streamline the due diligence process and at the same time delay the date of application of the Deforestation Regulation by one year for micro and small operators and introduce a grace period of six months for medium and large operators.

8. In order to ensure that the proposed simplifications and the delay of application take effect before 30 December 2025, the proposal as revised by lawyer linguists will have to be adopted, signed and published in the Official Journal before that date.

9. A timely adoption of the amending regulation requires that both the Council and the European Parliament act within a fast-track schedule. Such schedule needs to allow the Parliament to adopt its position at first reading, on the basis of a text agreed by the Council and reviewed by the lawyer linguists, at the very latest during the Plenary to be held on 15-18 December 2025, followed by adoption by the Council either at a Council meeting or through a written procedure.

10. For the Council to comply with the timeframe, Coreper will have to approve the Council mandate as soon as possible. Due to time constrains alone, it would be extremely difficult to envisage the possibility to hold trilogues with the European Parliament on extensive changes to the substance of the Commission's proposal.

III. MAIN ELEMENTS OF THE PRESIDENCY'S COMPROMISE TEXT

11. Against this calendar, on 29 October 2025, the Presidency sought guidance from Coreper[4]. Discussions in Coreper indicated that most delegations welcomed simplification of the current Deforestation Regulation, however, they indicated that the Commission's proposal alone was not enough. Many delegations wanted the Commission's proposal with the postponement of the deadline of application by an additional year. In addition, several delegations considered that the proposal of the Commission could have gone further in terms of simplification measures and expressed support for the additional reduction of administrative burdens at a later stage.

12. At the meeting, the Council Legal Service expressed concerns related to the "grace-period", including that it would not have the intended effect and could create legal uncertainty. The Council Legal Service expressed that such "grace period" would, among others, be without prejudice to the acts on criminal law sanctions for environmental crimes and violations, which Member States would still have to enforce.

13. In view of the above, the Presidency puts forward a compromise proposal which consists of the following two main elements:
    (1) First, the Presidency has deleted the provisions related to the "grace-period". Instead, the date of the application of the Deforestation Regulation has been postponed by one year for all operators, following the approach of last year's amending Regulation.
    (2) Second, the Presidency proposes to keep all the targeted simplifications, as set in the Commission's proposal.

14. In this manner, the Presidency seeks a mandate limited to targeted changes to the Commission's proposal that reflect the guidance provided of Coreper and which aims to ensure that a timely agreement is within reach between the two co-legislators, thereby, providing the necessary clarity and legal certainty to operators.

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4 Document 14477/25.

IV. CONCLUSION

15. In view of the above, the Permanent Representatives Committee is invited to examine the Presidency compromise text set out in the Annex to this Note, with a view to reach an agreement on a mandate for negotiations with the European Parliament.

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ANNEX

2025/0329 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EU) 2023/1115 as regards certain obligations of operators and traders

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 192(1) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national Parliaments,

Having regard to the opinion of the European Economic and Social Committee[5] ,

Having regard to the opinion of the Committee of the Regions[6],

Acting in accordance with the ordinary legislative procedure,

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5 OJ C [...], [...], p. [...].
6 OJ C [...], [...], p. [...].

Whereas:

(1) Regulation (EU) 2023/1115 of the European Parliament and of the Council[7] was adopted to reduce deforestation and forest degradation. It lays down rules regarding the placing and making available on the Union market as well as the export from the Union of relevant products, as listed in its Annex I, that contain, have been fed with or have been made using relevant commodities, namely cattle, cocoa, coffee, oil palm, rubber, soya and wood. In particular, that Regulation aims to ensure that those commodities and relevant products are placed or made available on the Union market or exported, only if they are deforestation-free, have been produced in accordance with the relevant legislation of the country of production and are covered by a due diligence statement.

(2) In accordance with Article 33 of Regulation (EU) 2023/1115 the Commission, in close cooperation with the Member States and other stakeholders, has developed the information system for submission of due diligence statements. Stakeholders have been involved in the development process to ensure an efficient submission of due diligence statements in line with the needs of economic operators. The information system was launched on 4 December 2024, allowing operators, traders that are not micro, small and medium-sized enterprises ('non-SME traders') and their authorised representatives to submit due diligence statements. However, most recent projections on the number of expected operations and interactions in that information system have led to a substantial reassessment of the load on the system, indicating a much higher traffic than anticipated.

[7] Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (OJ L 150, 9.6.2023, p. 206, ELI: http://data.europa.eu/eli/reg/2023/1115/oj).

(3) At the same time, the findings of the 2024 report 'The future of European competitiveness' by Mario Draghi[8] indicated that the increasing number and complexity of rules risks is limiting room for manoeuvre for Union businesses and preventing them from remaining competitive. Concerns about the complexity of rules have also been reported by trade partners. Against this background, certain procedures and requirements laid down in Regulation (EU) 2023/1115 should be simplified and unnecessary regulatory burdens for businesses should be removed, while maintaining the objectives of that Regulation.

(4) Furthermore, as part of the simplification efforts, administrative burden resulting from the obligations for downstream actors that are not micro, small and medium-sized enterprises ('non-SME downstream actors') and micro and small primary operators producing and placing on the market their own products should be reduced.

(5) In order to provide legal clarity in downstream supply chains, to reduce further reporting requirements and the corresponding load of the information system, a new category of 'downstream operator' should be introduced. The obligations of such downstream operators should be identical to those applicable to traders. Neither downstream operators nor traders should be required to ascertain that due diligence was exercised and to submit due diligence statements, significantly reducing reporting requirements and the number of needed interactions with the information system.

(6) Non-SME downstream operators and traders have a significant influence on supply chains and play an important role in ensuring that supply chains are deforestation-free. They should, therefore, still be required to register in the information system. At the same time, all downstream operators or traders, whether or not they are SMEs, should continue to ensure full traceability by collecting and passing on reference numbers of due diligence statements and declaration identifiers assigned to micro and small producers.

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[8] 2024 report by Mario Draghi on the future of European competitiveness: https://commission.europa.eu/topics/eu-competitiveness/draghi-report_en#paragraph_47059.

(7) All operators, regardless of their size, placing relevant products on the market or exporting them fall under the scope of Regulation (EU) 2023/1115. This places an administrative burden on micro and small producers who place on the market or export their own products. In order to address the concerns related to micro- and small-sized operators producing and placing on the market their own products and to further reduce the load of the information system, it is necessary to introduce a new sub-category of operators to whom the obligation to submit a due diligence statement should not apply. This new subcategory, called 'micro and small primary operators', should cover natural persons or micro- or small-sized enterprises established in a country classified as low risk in accordance with Article 29 of this Regulation placing relevant products on the market or exporting them which they themselves produce, meaning that they grow, harvest, obtain from or raise the relevant commodities contained in relevant products themselves. Both operators established within and outside of the Union should be covered by the definition of micro and small primary operator.

(8) To ensure the efficient achievement of objectives of Regulation (EU) 2023/1115, namely being able to ensure traceability along the supply chain in order to ensure that products placed on the market are deforestation-free, micro and small primary operators should nevertheless be required to submit a one-time simplified declaration in the information system. The information system should issue a declaration identifier upon submission of the simplified declaration by a micro and small primary operator. This declaration identifier should accompany relevant products a micro and small primary operator places on the market or exports. In order to maintain traceability requirements under Regulation (EU) 2023/1115 and pursue its objectives, this information included in the simplified declaration should enable an automatic risk assessment by the information system, facilitate checks by competent authorities in accordance with the risk-based approach, and should be visible to downstream actors to the extent possible in line with applicable data protection legislation.

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(9) Regulation (EU) 2016/429 of the European Parliament and of the Council[9] already subjects primary producers of cattle established in the Union to traceability and reporting requirements equivalent to those established under Regulation (EU) 2023/1115. The relevant data are stored in national databases of the Member States. It is, therefore, appropriate to exempt micro and small primary operators from the obligation to submit a simplified declaration, where the required information is already available in such databases, and Member States make available the relevant data in the information system referred to in Article 33. This provision should also be applicable to micro and small primary operators in other sectors where the Union or Member States' national legislation provides for equivalent traceability or reporting obligations, provided that the same conditions are fulfilled.

(10) As outlined in the Guidance Document[10], in cases where the activities are negligible, given all circumstances at stake, the principle of proportionality should be respected. Occasional extensive or occasionally small-scale grazing in forests as long as the production and related activities do not have detrimental effect on the habitat of the forest should not be considered as predominantly agricultural use.

(11) To provide legal clarity that all micro, small and medium-sized undertakings, irrespective of their legal form, can benefit from the simplified provisions for micro small and medium-sized enterprises in Regulation (EU) 2023/1115, the definition of micro, small and medium-sized enterprises' should be amended to clarify that the legal form should not be relevant for whether a natural or legal person meets the definition. The same should be clarified for micro and small primary operators.

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9 Regulation (EU) 2016/429 of the European Parliament and of the Council of 9 March 2016 on transmissible animal diseases and amending and repealing certain acts in the area of animal health ('Animal Health Law') (OJ L 84, 31.3.2016, p. 1, ELI: http://data.europa.eu/eli/reg/2016/429/oj).

10 Guidance Document for Regulation (EU) 2023/1115 on Deforestation-Free Products, OJ C, C/2025/4524, 12.8.2025, ELI: http://data.europa.eu/eli/C/2025/4524/oj.

(12) Article 34(1) to (4) of Regulation (EU) 2023/1115 lays down provisions related to the review of that Regulation, and it mandates the Commission to present several impact assessments accompanied, if appropriate, by legislative proposals. Given that the date of application of Regulation (EU) 2023/1115 was postponed by Regulation (EU) 2024/3234 of the European Parliament and of the Council[11], a potential extension of the scope of Regulation (EU) 2023/1115 cannot be assessed without evidence on its application, its effects on deforestation and forest degradation, its impact on operators and traders, in particular SMEs, and on trade flows. For this reason, the obligations related to the impact assessments to be carried out by the Commission provided for in Article 34(1) to (4) should be removed. Those impact assessments should be covered by the general review of Regulation (EU) 2023/1115. The date for the general review referred to in Article 34(6) of Regulation (EU) 2023/1115 should be changed to 30 June 2030 so that the review could take into account the experience of the enforcement of the Regulation. To reflect the amended obligations for operators, downstream operators and traders, the general review should also evaluate the impact of these amendments on the achievement of the overall objectives of Regulation (EU) 2023/1115.

(12a) The date of application of the provisions of Regulation (EU) 2023/1115 that lay down obligations on operators, traders and competent authorities, listed in Article 38(2) of that Regulation, should be postponed by 12 months. This is necessary in order to allow third countries, Member States, operators and traders to be fully prepared, including, to allow those operators and traders to establish the necessary due diligence systems covering all relevant commodities and products, so as to be in a position to fully comply with their obligations.

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11 Regulation (EU) 2024/3234 of the European Parliament and of the Council of 19 December 2024 amending Regulation (EU) 2023/1115 as regards provisions relating to the date of application (OJ L, 2024/3234, 23.12.2024, ELI: http://data.europa.eu/eli/reg/2024/3234/oj)

~~(13) In order to provide operators that are micro or small undertakings within the meaning of Article 3(1) or (2), first subparagraph, of Directive 2013/34/EU, with adequate time for the implementation of the proposed amendments, the corresponding dates of application of the provisions of Regulation (EU) 2023/1115 that lay down obligations on operators, traders and competent authorities, listed in Article 38(2) of that Regulation, should be set to 30 December 2026 for micro and small operators.~~

~~(14) At the same time, the date of application of obligations of competent authorities to carry out checks and other measures related to enforcement referred to in Articles 16 to 19, Article 22 and Article 24 should be applied from 30 June 2026 to operators, downstream operators and traders, and from 30 December 2026 to micro and small operators. This allows economic operators to start complying with their obligations in line with the entry into application, while providing them with a grace period to adapt to the legislative changes.~~

~~(15) Where a competent authority becomes or is made aware of non-compliance with Regulation (EU) 2023/1115 prior to the entry into application of Articles 16 to 19, Article 22 and Article 24, it may issue warnings to operators, downstream operators and traders, accompanied by recommendations to achieve compliance.~~

(16) In the light of the **postponement by 12 months of the date of application set out in Article 38(2)** of ~~the date from which for micro and small operators are required to comply with~~ Regulation (EU) 2023/1115, the dates in other related provisions, namely the repeal of Regulation (EU) No 995/2010 of the European Parliament and of the Council[12], ~~the transitional provisions and~~ the provisions on the deferred application of Regulation (EU) 2023/1115 to **natural persons,** micro-undertakings or small undertakings, should be adjusted accordingly. In order to provide sufficient time to align technical developments of the electronic interface based on the European Union Single Window Environment for Customs, the date by which the electronic interface is in place should be adjusted accordingly.

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[12] Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23, ELI: http://data.europa.eu/eli/reg/2010/995/oj).

(17) Since the objectives of this Regulation, namely simplifying certain reporting obligations, streamlining timelines while preserving the objectives of Regulation (EU) 2023/1115 as such, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.

(18) Regulation (EU) 2023/1115 should therefore be amended accordingly,

(19) This Regulation should enter into force as a matter of urgency on the third day following that of its publication in the *Official Journal of the European Union* in order to ensure that this Regulation enters into force before the current date of application of Regulation (EU) 2023/1115,

(20) In view of the urgency to adopt targeted simplifications as well as to delay the entry into application of the Regulation, it is considered to be appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.

HAVE ADOPTED THIS REGULATION:

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Article 1

Amendments to Regulation (EU) 2023/1115

Regulation (EU) 2023/1115 is amended as follows:

(1) Article 2 is amended as follows:

(a) point 15 is replaced by the following:

‘(15) ‘operator’ means any natural or legal person who, in the course of a commercial activity, places relevant products on the market or exports them, excluding downstream operators;’;

(b) the following points 15a and 15b are inserted:

‘(15a) ‘micro and small primary operator’ means an operator who is a natural person or a micro- or small-sized undertaking, as defined in Article 3(1) and (2), first subparagraph, of Directive 2013/34/EU of the European Parliament and of the Council*, irrespective of its legal form, established in a country classified as low risk in accordance with Article 29 of this Regulation, and who, in the course of a commercial activity, places on the market or exports relevant products that this operator itself has grown, harvested, obtained from or raised on relevant plots of land, or, as regards cattle, on establishments;

(15b) ‘downstream operator’ means any natural or legal person who, in the course of a commercial activity, places on the market or exports relevant products made using relevant products, all of which are covered by a due diligence statement or by a simplified declaration;

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* Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/reg/2023/1115/oj) ’;

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(c) point 17 is replaced by the following:

‘(17) ‘trader’ means any person in the supply chain other than the operator or downstream operator who, in the course of a commercial activity, makes relevant products available on the market;’;

(d) point 19 is replaced by the following:

‘(19) ‘in the course of a commercial activity’ means for the purpose of processing, for distribution to commercial or non-commercial consumers, or for use in the business of the operator, downstream operator or trader itself;’;

(e) point 22 is replaced by the following:

‘(22) ‘authorised representative’ means any natural or legal person established in the Union who, in accordance with Article 6, has received a written mandate from an operator to act on its behalf in relation to specified tasks with regard to the operator’s obligations under this Regulation;’;

(f) point 30 is replaced by the following:

‘(30) ‘micro, small and medium-sized enterprises’ or ‘SMEs’ means micro, small and medium-sized undertakings, irrespective of their legal form, as defined in Article 3(1), (2), first subparagraph, and (3) of Directive 2013/34/EU;’;

(2) in Article 3, point (c) is replaced by the following:

‘(c) they are covered by a due diligence statement or a simplified declaration, as required by relevant provisions of this Regulation.’;

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(3) the title of Chapter 2 is replaced by the following:

‘CHAPTER 2

OBLIGATIONS OF OPERATORS, DOWNSTREAM OPERATORS AND TRADERS’;

(4) Article 4 is amended as follows:

(a) paragraph 3 is replaced by the following:

‘3. By making available to competent authorities the due diligence statement or, in the case of micro and small primary operators, by submitting the simplified declaration referred to in Article 4a, the operator shall assume responsibility for the compliance of the relevant product with Article 3. Operators shall keep a record of the due diligence statements for five years from the date the statement is submitted through the information system referred to in Article 33.’;

(b) Paragraph 5 is replaced by the following:

‘5. Operators that obtain or are made aware of relevant new information, including substantiated concerns, indicating that a relevant product that they have placed on the market is at risk of not complying with this Regulation shall immediately inform the competent authorities of the Member States in which they placed the relevant product on the market, as well as downstream operators and traders to whom they supplied the relevant product. In the case of exports, the operators shall inform the competent authority of the Member State which is the country of production.

(c) paragraph 7 is replaced by the following:

‘7. Operators shall communicate to downstream operators and to traders further down the supply chain of the relevant products they placed on the market or exported the reference numbers of the due diligence statements or, if applicable, the declaration identifiers associated to those products.’;

(d) paragraphs 8, 9 and 10 are deleted;

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(5) the following Article 4a is inserted:

'Article 4a

Simplified regime for micro and small primary operators

1. The obligations laid down in Article 4(2), (3) and (4), point (c) shall not apply to micro and small primary operators.

2. Micro and small primary operators shall submit a one-time simplified declaration in the information system referred to in Article 33 before placing on the market relevant products or exporting them. They shall be assigned a declaration identifier after submitting their simplified declaration.

3. Micro and small primary operators shall provide the information set out in Annex III when submitting the simplified declaration in the information system. They shall update the information contained in their simplified declaration following any changes to the information they provided.

4. Where all information listed in Annex III is available in a system or database that exists under Union or Member States legislation, other than the information system referred to in Article 33, micro and small primary operators shall not be required to submit a simplified declaration in accordance with paragraph 2 of this Article. Member States shall make this information per operator available in the information system referred to in Article 33. The micro or small primary operator shall place the relevant products on the Union market or export them only after having been assigned a declaration identifier.

5. For micro and small primary operators, the geolocation referred to in Article 9(1), point (d), may be replaced by the postal address of all plots of where the relevant commodities that the relevant product contains, or has been made using, were produced.';

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(6) Articles 5 and 6 are replaced by the following:

‘*Article 5*

Obligations of downstream operators and traders

1. Downstream operators and traders shall make available relevant products on the market only if they are in possession of the information required under paragraph 3.

2. Downstream operators that are not SMEs (‘non-SME downstream operators’) and traders that are not SMEs (‘non-SME traders’) shall register in the information system referred to in Article 33 prior to placing or making available relevant products on the market or exporting them.

3. Downstream operators and traders shall collect and keep the following information relating to the relevant products they intend to place or make available on the market or export:

   (a) the name, registered trade name or registered trade mark, the postal address, the email address and, if available, a web address of the operators, downstream operators, or the traders who have supplied the relevant products to them, as well as the reference numbers of the due diligence statements or the declaration identifiers associated to those products;

   (b) the name, registered trade name or registered trade mark, the postal address, the email address and, if available, a web address of the downstream operators, or the traders to whom they have supplied the relevant products.

4. Downstream operators and traders shall keep the information referred to in paragraph 3 for at least five years from the date of the placing or making available on the market or export, and shall provide that information to the competent authorities upon request.

5. Downstream operators and traders shall communicate to downstream operators and traders to whom they have supplied relevant products the reference numbers of the due diligence statements or the declaration identifiers associated to those relevant products.

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6. Downstream operators and traders that obtain or are made aware of relevant new information, including substantiated concerns, indicating that a relevant product that they have placed or made available on the market is at risk of not complying with this Regulation shall immediately inform the competent authorities of the Member States in which they placed or made available the relevant product on the market as well as downstream operators and traders to whom they supplied the relevant product. In the case of exports, downstream operators shall inform the competent authority of the Member State which is the country of production.

7. If non-SME downstream operators and non-SME traders obtain or are made aware of relevant information, indicating that a relevant product is not in compliance with the requirements set out in this Regulation, prior to placing or making available on the market or exporting, they shall immediately inform the competent authorities of the Member States in which they intend to place or make available on the market or from which they intend to export the relevant product. In the case of substantiated concerns, they shall verify that due diligence was exercised and no or only a negligible risk was found. They shall not place or make available products on the market or export them unless the verification demonstrates no or only a negligible risk of non-compliance.

8. Downstream operators and traders shall offer all necessary assistance to the competent authorities to facilitate the carrying out of the checks under Article 19, including access to premises and the making available of documentation and records.

PUBLIC

Article 6

Authorised representatives

1. Operators may mandate an authorised representative to submit the due diligence statement pursuant to Article 4(2) or to submit a simplified declaration pursuant to Article 4a(2) on their behalf. In such cases, the operator shall retain responsibility for the compliance of the relevant product with Article 3.

2. The authorised representative shall, upon request, provide a copy of the mandate in an official language of the Union to the competent authorities and a copy in an official language of the Member State in which the due diligence statement or the simplified declaration is handled or, where that is not possible, in English.

3. An operator that is a natural person or a microenterprise may mandate the next downstream operator or trader further down the supply chain that is not a natural person or a microenterprise to act as an authorised representative. Such next downstream operator or trader further down the supply chain shall not place or make available relevant products on the market or export them without submitting the due diligence statement pursuant to Article 4(2) on behalf of that operator or, in the case of a micro and small primary operator, without submitting a simplified declaration on behalf of the micro and small primary operator in the information system referred to in Article 33. In such cases, the operator that is a natural person or a microenterprise shall retain responsibility for compliance of the relevant product with Article 3.';

(7) in Article 8, paragraph 1 is replaced by the following:

'1. Prior to placing relevant products on the market or exporting them, operators shall exercise due diligence with regard to all relevant products.';

(8) in Article 9, paragraph 1 is amended as follows:

(a) point (b) is replaced by the following:

‘(b) the quantity of the relevant products; for relevant products entering or leaving the market, the quantity is to be expressed in kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Council Regulation (EEC) No 2658/87* against the indicated Harmonised System code, or, in all other cases, the quantity is to be expressed in net mass or, where applicable, volume or number of items; a supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonised System code referred to in the due diligence statement or provided as part of the simplified declaration;

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* Council Regulation (EEC) No 2658/87 of 23 July 1987 on the tariff and statistical nomenclature and on the Common Customs Tariff (OJ L 256, 7.9.1987, p. 1, ELI: http://data.europa.eu/eli/reg/1987/2658/oj).’;

(b) point (f) is replaced by the following:

‘(f) the name, postal address and email address of any business, downstream operator or trader to whom the relevant products have been supplied;’;

(9) Article 16 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. The competent authorities shall carry out checks within their territory to establish whether operators, downstream operators and traders established in the Union comply with this Regulation. The competent authorities shall carry out checks within their territory to establish whether the relevant products that the operator, downstream operator or trader has placed or intends to place on the market, has made available or intends to make available on the market or has exported or intends to export comply with this Regulation.’;

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(b) paragraph 3 is replaced by the following:

‘3. The competent authorities shall use a risk-based approach to identify the checks to be carried out. Risk criteria shall be identified based on an analysis of risks of non-compliance with this Regulation, taking into account in particular the relevant commodities, the complexity and the length of supply chains, including whether mixing of relevant products is involved, and the stage of processing of the relevant product, whether the plots of land concerned are adjacent to forests, the assignment of risk to countries or parts thereof in accordance with Article 29, paying special attention to the situation of countries or parts thereof classified as high risk, the history of non-compliance of operators, downstream operators or traders with this Regulation, risks of circumvention, and any other relevant information. The analysis of risks shall build on the information referred to in Articles 9 and 10 and may build on the information contained in the information system referred to in Article 33, and may be supported by other relevant sources such as monitoring data, risk profiles from international organisations, substantiated concerns submitted under Article 31, or the conclusions of Commission expert group meetings.’;

(c) in paragraph 5, point (b) is replaced by the following:

‘(b) the selection of operators, downstream operators and traders to be checked; that selection is to be based on the national risk criteria referred to in point (a), using, inter alia, information contained in the information system referred to in Article 33 and electronic data-processing techniques; for each operator, downstream operator or trader to be checked, competent authorities may identify specific due diligence statements to be checked.’;

(d) paragraphs 8 to 11 are replaced by the following:

‘8. Each Member State shall ensure that the annual checks carried out by its competent authorities pursuant to paragraph 1 of this Article cover at least 3 % of the operators, non-SME downstream operators and non-SME traders placing or making available on the market or exporting relevant products that contain or have been made using relevant commodities produced in a country of production or parts thereof classified as standard risk in accordance with Article 29.

PUBLIC

9. Each Member State shall ensure that the annual checks carried out by its competent authorities pursuant to paragraph 1 of this Article cover at least 9 % of the operators, non-SME downstream operators and non-SME traders placing or making available on the market or exporting relevant products that contain or have been made using relevant commodities as well as 9 % of the quantity of each of the relevant products that contain or have been made using relevant commodities produced in a country or parts thereof classified as high risk in accordance with Article 29.

10. Each Member State shall ensure that the annual checks carried out by its competent authorities pursuant to paragraph 1 of this Article cover at least 1 % of the operators, non-SME downstream operators and non-SME traders placing or making available on the market or exporting relevant products that contain or have been made using relevant commodities produced in a country or parts thereof classified as low risk in accordance with Article 29.

11. The quantified objectives of checks to be carried out by competent authorities shall be met separately for each of the relevant commodities. The quantified objectives shall be calculated by reference to the total number of operators, non-SME downstream operators and non-SME traders who placed or made available on the market or exported relevant products in the previous year, and to quantity, where applicable. Operators shall be considered as having been checked where the competent authority has checked the elements referred to in Article 18(1), points (a) and (b). Downstream operators and traders shall be considered as having been checked where the competent authority has checked the elements referred to in Article 19(1).';

(e) paragraph 13 is replaced by the following:

'13. Checks shall be carried out without prior warning of the operator, downstream operator or trader, except where prior notification of the operator, downstream operator or trader is necessary in order to ensure the effectiveness of the checks.';

PUBLIC

(10) Articles 18 and 19 are replaced by the following:

'Article 18

Checks on operators

1. The checks on operators shall include:

(a) examination of their due diligence system, including risk assessment and risk mitigation procedures, and of documentation and records that demonstrate the proper functioning of the due diligence system;

(b) examination of documentation and records that demonstrate that a specific relevant product that the operator has placed or intends to place on the market or intends to export complies with this Regulation, including, when applicable, through risk mitigation measures, as well as examination of the relevant due diligence statements or, for micro and small primary operators, examination of the relevant simplified declaration or the information made available by Member States per operator in the information system.

2. The checks on operators may also include, where appropriate, in particular where the examinations referred to in paragraph 1 have raised questions:

(a) on-the-ground examination of relevant commodities or of the relevant products with a view to ascertaining their correspondence with the documentation used for exercising due diligence;

(b) examination of corrective measures taken under Article 24;

(c) any technical and scientific means adequate to determine the species or the exact place where the relevant commodity or relevant product was produced, including anatomical, chemical or DNA analysis;

PUBLIC

(d) any technical and scientific means adequate to determine whether the relevant products are deforestation-free, including Earth observation data such as from the Copernicus programme and tools or from other publicly or privately available relevant sources; and

(e) spot checks, including field audits, including where appropriate in third countries, provided that such third countries agree, through cooperation with the administrative authorities of those third countries.

Article 19

Checks on downstream operators and traders

1. The checks on downstream operators and traders shall include the examination of documentation and records that demonstrate compliance with Article 5(1), (2), (3) and (4).

2. The checks on downstream operators and traders may also include, where appropriate, in particular where the examinations referred to in paragraph 1 have raised questions, spot checks, including field audits.';

(11) in Article 20, paragraph 1 is replaced by the following:

'1. Member States may authorise their competent authorities to reclaim from the operators, downstream operators or traders the totality of the costs of their activities with respect to instances of non-compliance.';

(12) in Article 21, paragraph 3 is replaced by the following:

'3. Competent authorities shall exchange information necessary for the enforcement of this Regulation, including through the information system referred to in Article 33. That shall include giving access to and exchanging information on operators, downstream operators and traders, including due diligence statements and simplified declaration for micro and small primary operators, and on the nature and results of the checks carried out, with other Member States' competent authorities to facilitate the enforcement of this Regulation.';

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(13) in Article 22, paragraph 1, points (b) and (c) are replaced by the following:

‘(b) the number and the results of the checks carried out on operators, downstream operators and traders and the total number of operators, non-SME downstream operators and non-SME traders, including the types of non-compliance identified;

(c) the quantity of relevant products checked in relation to the total quantity of relevant products placed on the market or exported covered by a due diligence statement in the information system referred to in Article 33; the countries of production; for relevant products entering or leaving the market, the quantity is to be expressed in kilograms of net mass and, where applicable, in the supplementary unit set out in Annex I to Regulation (EEC) No 2658/87 against the indicated Harmonised System code, or, in all other cases, the quantity is to be expressed in net mass or, where applicable, volume or number of items; a supplementary unit is applicable where it is defined consistently for all possible subheadings under the Harmonised System code referred to in the due diligence statement;’;

(14) Article 24 is replaced by the following:

‘*Article 24*

Corrective action in the event of non-compliance

1. Without prejudice to Article 25, where competent authorities establish that an operator, downstream operator or trader has not complied with this Regulation or that a relevant product placed or made available on the market or exported is non-compliant, they shall without delay require the operator, downstream operator or trader to take appropriate and proportionate corrective action to bring the non-compliance to an end within a specified and reasonable period of time.

2. For the purposes of paragraph 1, the corrective action required to be taken by the operator, downstream operator or trader shall include at least one of the following, as applicable:

   (a) rectifying any formal non-compliance, in particular with the requirements of Chapter 2;

(b) preventing the relevant product from being placed or made available on the market or exported;

(c) withdrawing or recalling the relevant product immediately;

(d) donating the relevant product to charitable or public interest purposes or, if that is not possible, disposing of it in accordance with Union law on waste management.

3. Irrespective of the corrective action taken under paragraph 2, the operator, downstream operator or trader shall address any shortcomings in the due diligence system with a view to preventing the risk of further non-compliance with this Regulation.

4. If the operator, downstream operator or trader fails to take corrective action as referred to in paragraph 2 within the period of time specified by the competent authority under paragraph 1, or where non-compliance as referred to in paragraph 1 persists, after that period of time competent authorities shall secure application of the required corrective action referred to in paragraph 2 by all means available to them under the law of the Member State concerned.';

(15) Article 25 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Without prejudice to the obligations of Member States under Directive 2008/99/EC of the European Parliament and of the Council*, Member States shall lay down rules on penalties applicable to infringements of this Regulation by operators, downstream operators and traders and shall take all measures necessary to ensure that they are implemented. Member States shall notify the Commission of those rules and of those measures and shall notify it, without delay, of any subsequent amendments affecting them.

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* Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law (OJ L 328, 6.12.2008, p. 28, ELI: http://data.europa.eu/eli/dir/2008/99/oj).';

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(b) in paragraph 2, points (a), (b) and (c) are replaced by the following:

‘(a) fines proportionate to the environmental damage and the value of the relevant commodities or relevant products concerned, calculating the level of such fines in such way as to ensure that they effectively deprive those responsible of the economic benefits derived from their infringements, and gradually increasing the level of such fines for repeated infringements; in the case of a legal person, the maximum amount of such a fine shall be at least 4 % of the operator’s, downstream operator’s or trader’s total annual Union-wide turnover in the financial year preceding the fining decision, calculated in accordance with the calculation of aggregate turnover for undertakings laid down in Article 5(1) of Council Regulation (EC) No 139/2004*, and shall be increased, where necessary, to exceed the potential economic benefit gained;

(b) confiscation of the relevant products concerned from the operator, downstream operator and/or trader;

(c) confiscation of revenues gained by the operator, downstream operator and/or trader from a transaction with the relevant products concerned;

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* Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ L 24, 29.1.2004, p. 1, ELI: http://data.europa.eu/eli/reg/2004/139/oj).’;

(16) Article 26 is amended as follows:

(a) paragraph 4 is replaced by the following:

‘4. The reference number of the due diligence statement or the declaration identifier for micro and small primary operators shall be made available to customs authorities before the release for free circulation or export of a relevant product entering or leaving the market. For that purpose, except where the due diligence statement is made available through the electronic interface referred to in Article 28(2), the person lodging the customs declaration for release for free circulation or export of a relevant product shall make available to customs authorities the reference number of the due diligence statement or the declaration identifier for micro and small primary operators associated to that relevant product.’;

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(b) paragraph 7 is replaced by the following:

‘7. Where the status referred to in paragraph 6 of this Article indicates that the relevant product entering or leaving the market has been identified, pursuant to Article 17(2), as requiring to be checked before it is placed on the market or exported, customs authorities shall suspend the release for free circulation or export of that relevant product.’;

(17) in Article 27, paragraph 3 is replaced by the following:

‘3. The customs authorities may communicate, in accordance with Article 12(1) of Regulation (EU) No 952/2013, confidential information acquired by the customs authorities in the course of performing their duties, or provided to the customs authorities on a confidential basis, to the competent authority of the Member State in which the operator, downstream operator, trader or authorised representative is established.’;

(18) Article 28 is amended as follows:

(a) Paragraph 1 is replaced by the following:

‘1. The Commission shall develop an electronic interface based on the European Union Single Window Environment for Customs, established by Regulation (EU) 2022/2399 of the European Parliament and of the Council*, to enable the transmission of data, in particular the notifications and requests referred to in Article 26(6) to (9) of this Regulation, between national customs systems and the information system referred to in Article 33 of this Regulation. This electronic interface shall be in place by 1 December 2029.

(b) paragraph (2), point (a) is replaced by the following:

‘(a) operators to comply with the obligation to submit the due diligence statement of a relevant commodity or relevant product pursuant to Article 4 of this Regulation, by making it available through the national single window environment for customs referred to in Article 8 of Regulation (EU) 2022/2399 and receive feedback thereon from competent authorities; and’;

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(19) Article 31 is amended as follows:

(a) paragraphs 1 and 2 are replaced by the following:

‘1. Natural or legal persons may submit substantiated concerns to competent authorities when they consider that one or more operators, downstream operators or traders are not complying with this Regulation.

2. Competent authorities shall, without undue delay, diligently and impartially assess the substantiated concerns, including whether the claims are well-founded, and take the necessary steps, including carrying out checks and conducting hearings of operators, downstream operators and traders, with a view to detecting potential non-compliance with this Regulation and, where appropriate, taking interim measures under Article 23 to prevent the placing or making available on the market and export of relevant products under investigation.’;

(b) paragraph 4 is replaced by the following:

‘4. Without prejudice to the obligations pursuant to Directive (EU) 2019/1937 of the European Parliament and of the Council*, Member States shall provide for measures to protect the identity of the natural or legal persons who submit substantiated concerns or who conduct investigations with the aim of verifying compliance by operators, downstream operators or traders with this Regulation.

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* Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (OJ L 305, 26.11.2019, p. 17, ELI: http://data.europa.eu/eli/dir/2019/1937/oj).’;

(20) Article 33 is amended as follows:

(a) paragraph 2 is amended as follows:

(i) after point (a), the following point (aa) is inserted:

‘(aa) registration of non-SME downstream operators and non-SME traders in accordance with Article 5(2);’;

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(ii) points (b) and (c) are replaced by the following:

‘(b) registration of due diligence statements including the communication to the operator concerned of a reference number for each due diligence statement submitted through the information system;

(c) registration of simplified declarations submitted by micro and small primary operators and assignment of a declaration identifier to the operator concerned.’;

(iii) point (g) is replaced by the following:

‘(g) provision of relevant information to support the risk-profiling for the plan of checks referred to in Article 16(5), including results of checks, the risk-profiling of operators, downstream operators, traders and relevant commodities and relevant products for the purpose of identifying, based on electronic data-processing techniques, operators, downstream operators and traders to be checked as referred to in Article 16(5), and relevant products to be checked by competent authorities;’;

(iv) point (i) is replaced by the following:

‘(i) support communication between competent authorities and operators, downstream operators and traders for the purposes of implementation of this Regulation, including, where appropriate, through the use of digital supply management tools.’;

(b) paragraph 3 is replaced by the following:

‘3. The Commission shall, by means of implementing acts, establish rules for the functioning of the information system under this Article, including:

(a) rules for the protection of personal data and the exchange of data with other IT systems;

(b) contingency arrangements in the event of unavailability of the functionalities of the information system.

Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 36(2).’;

PUBLIC

(c) paragraph 4 is replaced by the following:

‘4. The Commission shall provide access to that information system to customs authorities, competent authorities, operators, downstream operators and traders and, if applicable, their authorised representatives, in accordance with their respective obligations under this Regulation.’;

(21) Article 34 is replaced by the following:

‘Article 34

Review

1. The Commission may adopt delegated acts in accordance with Article 35 to amend Annex I with regard to the relevant CN codes of relevant products that contain, have been fed or have been made using relevant commodities.

2. By 30 June 2030 and at least every five years thereafter, the Commission shall carry out a general review of this Regulation and shall present a report to the European Parliament and the Council accompanied, if appropriate, by a legislative proposal. The first of the reports shall include in particular, based on specific studies, an evaluation of:

   (a) the need for and feasibility of additional trade facilitation tools – and in particular for LDCs highly impacted by this Regulation and countries or parts thereof classified as standard or high risk – to support the achievement of the objectives of this Regulation;

   (b) the impact of this Regulation on farmers, in particular smallholders, indigenous peoples and local communities and the possible need for additional support for the transition towards sustainable supply chains and for smallholders to meet the requirements of this Regulation;

   (c) the further extension of the definition of forest degradation, on the basis of an in-depth analysis, and taking into account progress made in international discussions on the matter;

PUBLIC

(d) the threshold for mandatory use of polygons as referred to in Article 2, point (28), taking into account its impact on tackling deforestation and forest degradation;

(e) changes in the trade patterns of the relevant commodities and relevant products included in the scope of this Regulation when those changes could be an indication of a practice of circumvention;

(f) an assessment of whether the checks carried out have been effective to ensure that relevant commodities and relevant products made available on the market or exported comply with Article 3;

(g) the possible extension of the scope of this Regulation to include other wooded land and the cut-off date referred to in Article 2, point (13), with a view to minimising the Union's contribution to natural ecosystems' conversion and degradation;

(h) the possible extension of the scope of this Regulation to other natural ecosystems, including other land with high carbon stocks and with a high biodiversity value such as grasslands, peatlands and wetlands;

(i) the impact of the relevant commodities on deforestation and forest degradation, as indicated by scientific evidence, and taking into account changes in consumption, including the need and feasibility of extending the scope of this Regulation to further commodities, including maize, and to amend or extend the list of relevant products, including the potential inclusion of biofuels (HS code 382600) in Annex I;

(j) the role of financial institutions in preventing financial flows that contribute directly or indirectly to deforestation and forest degradation and the need to provide for any specific obligations for financial institutions in Union legal acts;

(k) the role of downstream operators and traders in ensuring that supply chains are deforestation-free and that this Regulation achieves its objectives;

(l) the role of micro and small primary operators in ensuring that production is deforestation-free and this Regulation achieves its objectives, and the possible risk of circumvention.'

PUBLIC

(22) Article 37 is replaced by the following:

'Article 37

Repeal ~~and transitional provisions~~

1. Regulation (EU) No 995/2010 is repealed with effect from **30 December 2026**.

2. However, Regulation (EU) No 995/2010 shall continue to apply until 31 December 2029 to timber and timber products as defined in Article 2, point (a), of Regulation (EU) No 995/2010 that were produced before 29 June 2023 and placed on the market from 30 December 2026.

~~2. Regulation (EU) No 995/2010 shall continue to apply:~~

~~(a) until 30 December 2026 20276 to timber and timber products as defined in Article 2, point (a), of Regulation (EU) No 995/2010 placed on the market by micro and small primary operators or by operators that by 31 December 20254 were established as micro-undertakings or small undertakings, within the meaning of Article 3(1) or (2), first subparagraph, of Directive 2013/34/EU, irrespective of their legal form;~~

~~(b) until 31 December 2028 2029 to timber and timber products as defined in Article 2, point (a), of Regulation (EU) No 995/2010 that were produced before 29 June 2023 and placed on the market from 30 December 2026 20267 by micro and small primary operators or by operators that by 31 December 2024 2025 were established as micro-undertakings or small undertakings within the meaning of Article 3(1) or (2), first subparagraph, of Directive 2013/34/EU, irrespective of their legal form;~~

3. By way of derogation from Article 1(2) of this Regulation, the timber and timber products as defined in Article 2, point (a), of Regulation (EU) No 995/2010 that were produced before 29 June 2023 and placed on the market from **31 December 2029** shall comply with Article 3 of this Regulation.';

PUBLIC

(23) Article 38 is replaced by the following:

'Article 38

Entry into force and date of application

1. This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

2. Subject to paragraph 3 of this Article, Articles 3 to 13, Articles 16 to 24 and Articles 26, 31 and 32 shall apply from 30 December 2026.

3. Except as regards the products covered in the Annex to Regulation (EU) No 995/2010, for operators, whether natural persons or micro- or small-sized undertakings as defined in Article 3(1) or (2) of Directive 2013/34/EU, who were established as such by 31 December 2024, the Articles referred to in paragraph 2 of this Article shall apply from 30 June 2027.

~~4. For micro and small primary operators, the Articles referred to in paragraph 2 of this Article shall apply from 30 December 2026.~~

~~5. Articles 16 to 19, Articles 22 and Article 24 shall apply from 30 June 2026 with regard to measures concerning operators, downstream operators and traders, and from 30 December 2026 to operators referred in paragraphs 3 and 4. Where a competent authority becomes or is made aware of non-compliance with Regulation (EU) 2023/1115 prior to the entry into application of Articles 16 to 19, Article 22 and Article 24, it may issue warnings to operators, downstream operators and traders, accompanied by recommendations to achieve compliance.'~~

(24) Annex II to Regulation (EU) 2023/1115 is amended in accordance with Annex I to this Regulation;

(25) Annex II to this Regulation is added as Annex III to Regulation (EU) 2023/1115.

PUBLIC

Article 2

Entry into force

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

PUBLIC