



Council of the
European Union

Brussels, 15 November 2023
(OR. en)

15455/23

LIMITE

MI 977
COMPET 1115
CONSOM 410
POLCOM 272
ENFOCUSTOM 144
JAI 1475
EMPL 556
SOC 776
CODEC 2146
UD 261

NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on prohibiting products made with forced labour on the Union market - Presidency compromise text

In view of the upcoming Working Party for Competitiveness and Growth (Internal Market) on 21 November 2023, delegations will find in Annex to this note a Presidency compromise text.

Changes compared to the proposal (doc. 12711/22 + COR1) are marked **in bold and underlined** for the new text and in ~~strike through~~ for deletions.

2022/0269 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on prohibiting products made with forced labour on the Union market

(Text with EEA relevance)

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 114 and Article 207 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 Committee¹,

Acting in accordance with the ordinary legislative procedure,

Whereas:

¹ OJ C , , p. .

- (1) As recognised in the Preamble to the 2014 Protocol to Convention No. 29 on forced labour ('ILO Convention No. 29') of the International Labour Organization ('ILO'), forced labour constitutes a serious violation of human dignity and fundamental human rights. The ILO declared the elimination of all forms of forced or compulsory labour as a principle concerning the fundamental rights. The ILO classifies ILO Convention No. 29, the 2014 Protocol to Convention No. 29 and the ILO Convention No.105 on the abolition of forced labour ('ILO Convention No.105') as fundamental ILO Conventions². Forced labour covers a wide variety of coercive labour practices where work or service is exacted from persons that have not offered it themselves voluntarily.³
- (2) The use of forced labour is widespread in the world. It is estimated that about 27.6 million people were in forced labour in 2021.⁴ Vulnerable and marginalised groups in a society are particularly susceptible to be pressured into performing forced labour. Even when it is not state imposed, forced labour is often a consequence of a lack of good governance of certain economic operators.

² <https://www.ilo.org/global/standards/introduction-to-international-labour-standards/conventions-and-recommendations/lang--en/index.htm>.

³ The ILO definition of forced labour according to the ILO Forced Labour Convention, 1920 (No. 29), [What is forced labour, modern slavery and human trafficking \(Forced labour, modern slavery and human trafficking\) \(ilo.org\)](#).

⁴ The 2021 Global Estimates of Modern Slavery, https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---ipec/documents/publication/wcms_854733.pdf.

- (3) The eradication of forced labour is a priority for the Union. Respect for human dignity and the universality and indivisibility of human rights are firmly enshrined in Article 21 of the Treaty on European Union. Article 5(2) of the Charter of Fundamental Rights of the European Union and Article 4(2) of the European Convention on Human Rights provide that no one is to be required to perform forced or compulsory labour. The European Court of Human Rights has repeatedly interpreted Article 4 of the European Convention on Human Rights as requiring Member States to penalise and effectively prosecute any act maintaining a person in the situations described set out in Article 4 of the European Convention on Human Rights.⁵
- (4) All Member States have ratified the fundamental ILO Conventions on forced labour and child labour.⁶ They are therefore legally obliged to prevent and eliminate the use of forced labour and to report regularly to the ILO.
- (5) Through its policies and legislative initiatives the Union seeks to eradicate the use of forced labour. The Union promotes due diligence in accordance with international guidelines and principles established by international organisations, including the ILO, the Organisation for Economic Co-operation and Development (hereinafter “OECD”) and the United Nations (hereinafter “UN”), to ensure that forced labour does not find a place in the value chains of undertakings established in the Union.

⁵ For instance, **Judgment of the European Court of Human Rights of XX, Siliadin v. France**, paras. 89 and 102 in *Siliadin v. France* or **Judgement of the European Court of Human Rights of XX, Chowdury and Others v. Greece**, para. 105 in *Chowdury and Others v. Greece*.

⁶ https://www.ilo.org/wcmsp5/groups/public/---europe/---ro-geneva/---ilo-brussels/documents/publication/wcms_195135.pdf.

- (6) Union trade policy supports the fight against forced labour in both unilateral and bilateral trade relationships. The trade and sustainable development chapters of Union trade agreements contain a commitment to ratify and effectively implement the fundamental ILO Conventions, which include ILO Convention No. 29 and ILO Convention No. 105. Moreover, unilateral ~~trade~~ **tariff** preferences under the Union's General Scheme of Preferences⁷ could be withdrawn for serious and systematic violations of ILO Convention No. 29 and ILO Convention No. 105.
- (7) The Anti-trafficking Directive (Directive 2011/36/EU) of the European Parliament and of the Council⁸ (~~the Anti-trafficking Directive~~) harmonises the definition of trafficking in human beings, including forced labour or services, and establishes minimum **rules on** penalties. Any rules laid down concerning the prohibition of placing and making available on the Union market domestic or imported products made with forced labour, or exporting such products, and the obligation to ensure that such products are withdrawn from the Union market ('the prohibition'), should be without prejudice to that Directive, and in particular to the competence of law enforcement and judicial authorities to investigate and prosecute offences on trafficking in human beings, including labour exploitation.

⁷ **Regulation (EU) No 978/2012 of the European Parliament and of the Council of 25 October 2012 applying a scheme of generalised tariff preferences and repealing Council Regulation (EC) No 732/2008, OJ L 303, 31.10.2012, p. 1-82.**

⁸ Directive 2011/36/EU of the European Parliament and of the Council of 5 April 2011 on preventing and combating trafficking in human beings and protecting its victims, and replacing Council Framework Decision 2002/629/JHA, OJ L 101, 15.4.2011, p.1.

- (8) [In particular, Directive 20XX/XX/EU on Corporate Sustainability Due Diligence] sets out horizontal due diligence obligations to identify, prevent, mitigate and ~~account for~~ **bring to an end** actual and potential adverse impacts on human rights, including forced labour, and **on** the environment in the company's own operations, its subsidiaries and in its value chains, in accordance with international human and labour rights standards and environmental conventions. Those obligations apply to large companies over a certain threshold in terms of number of employees and net turnover, and to smaller companies in high-impact sectors over a certain threshold in terms of number of employees and net turnover.⁹]

⁹ Directive 20XX/XX/EU of the European Parliament and of the Council on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937, OJ XX, XX.XX.20XX, p. XX.

- (9) In addition, Regulation (EU) 2017/821 of the European Parliament and of the Council¹⁰ requires Union importers of minerals **metals** falling under the scope of that Regulation to carry out due diligence obligations consistent with Annex II to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, and the due diligence recommendations set out therein. [Regulation (EU) No ~~XX/20XX~~ **2023/1542 of the European Parliament and of the Council**¹¹ concerning ~~batteries and waste batteries~~ contains obligations for economic operators to carry out due diligence in their supply chains, including with respect to labour rights.¹²] [Regulation (EU) ~~XX/20XX~~ **2023/1115 of the European Parliament and of the Council**¹³ ~~on making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation~~¹⁴ requires due diligence regarding the legal and deforestation free character of products and commodities within its scope, including with respect to human rights.]

¹⁰ Regulation (EU) 2017/821 of the European Parliament and of the Council of 17 May 2017 laying down supply chain due diligence obligations for Union importers of tin, tantalum and tungsten, their ores, and gold originating from conflict-affected and high-risk areas, OJ L 130, 19.5.2017, p. 1.

¹¹ **Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 concerning batteries and waste batteries, amending Directive 2008/98/EC and Regulation (EU) 2019/1020 and repealing Directive 2006/66/EC, OJ L 191, 28.7.2023, p. 1-117.**

¹² ~~REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL concerning batteries and waste batteries, repealing Directive 2006/66/EC and amending Regulation (EU) No 20XX/XX, OJ XX, XX.XX.20XX, p. XX.~~

¹³ **Regulation (EU) 2023/1115 of the European Parliament and of the Council on making available on the Union market as well as 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. 206-247.**

¹⁴ ~~Regulation of the European Parliament and of the Council on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No XXX/20XX, OJ XX, XX.XX.20XX, p. XX.~~

- (10) [Articles [XX] of Directive 2013/34/EU of the European Parliament and of the Council require Member States to ensure that certain economic operators annually publish non-financial statements in which they report on the impact of their activity on environmental, social and employee matters, respect for human rights, including regarding forced labour, anti-corruption and bribery matters.¹⁵ [Furthermore, Directive 20XX/XX/EU (**EU**) **2022/2464 of the European Parliament and of the Council** on Corporate Sustainability Reporting puts forward detailed reporting requirements for covered companies regarding the respect of human rights, including in global supply chains. The information that undertakings disclose about human rights should include, where relevant, information about forced labour in their value chains.¹⁶]
- (11) In July 2021, the Commission and the European External Action Service published guidance to assist Union businesses in taking appropriate measures to address the risk of forced labour in their operations and supply chains.¹⁷
- (12) As recognised in the Commission's Communication on decent work worldwide¹⁸, notwithstanding the current policies and legislative framework, further action is needed to achieve the objectives of eliminating forced-labour products from the Union market and, hence, further contributing to the fight against forced labour worldwide.

¹⁵ Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups, OJ

¹⁶ Directive 20XX/XX/EU of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC, Directive 2006/43/EC and Regulation **2014/537/EU** (EU) No 537/2014, as regards corporate sustainability reporting, OJ XX, XX.XX.20XX, p. XX **L 322, 16.12.2022, p. 15**.

¹⁷ Guidance on due diligence for EU businesses to address the risk of forced labour in their operations and supply chains.

¹⁸ Communication 23 March 2022 from the Commission to the European Parliament, the Council and the European Economic and Social Committee on decent work worldwide for a global just transition and a sustainable recovery (COM(2022) 66 final).

- (13) The European Parliament in its resolutions strongly condemned forced labour and called for a ban on products made with forced labour.¹⁹ It is therefore a matter of public moral concern that products made with forced labour could be available on the Union market or exported to third countries without an effective mechanism to ban or withdraw such products.
- (14) To complete the Union legislative and policy framework on forced labour, the placing and making available on the Union market products made with forced labour or exporting domestically produced or imported products made with forced labour should be prohibited and it should be ensured that those products are withdrawn from the Union market.
- (15) Currently there is no Union legislation that empowers Member States' authorities to directly detain, seize, or order the withdrawal of a product on the basis of a finding that it was made, whether in whole or in part, with forced labour.
- (16) In order to ensure the effectiveness of the prohibition, such prohibition should apply to products for which forced labour has been used at any stage of their production, manufacture, harvest and extraction, including working or processing related to the products. The prohibition should apply to all products, of any type, including their components, and should apply to products regardless of the sector, the origin, whether they are domestic or imported, or placed or made available on the Union market or exported.

This Regulation shall not apply to the activities of a natural or legal person or association of persons domiciled in the European Union that provides transport services unless that person or association can be qualified as an economic operator as defined in Article 2, point (h).

¹⁹ See Resolutions: [MOTION FOR A RESOLUTION on a new trade instrument to ban products made by forced labour \(europa.eu\)](#), [Texts adopted - Forced labour and the situation of the Uyghurs in the Xinjiang Uyghur Autonomous Region - Thursday, 17 December 2020 \(europa.eu\)](#), [Texts adopted - Forced labour in the Linglong factory and environmental protests in Serbia - Thursday, 16 December 2021 \(europa.eu\)](#).

(16a) [Distance selling, including online selling, should also fall within the scope of this Regulation. In the case of a product offered for sale online or through other means of distance sales, the product should be considered to have been made available on the market if the offer for sale is targeted at [end-users] in the Union. In line with the applicable Union rules on private international law, a case-by-case analysis should be carried out in order to establish whether an offer is targeted at [end-users] in the Union. An offer for sale should be considered to be targeted at [end-users] in the Union if the relevant economic operator directs, by any means, its activities to a Member State. For the case-by-case analyses, relevant factors, such as the geographical areas to which dispatch is possible, the languages available, used for the offer or for ordering, means of payment, the use of currency of the Member State or a domain name registered in one of the Member States should be taken into consideration. In the case of online sales, the mere fact that the economic operators' or the providers of online marketplaces' interface is accessible in the Member State in which the [end-user] is established or domiciled is insufficient.]

- (17) The prohibition should contribute to the international efforts to abolish forced labour. The definition of 'forced labour' should therefore be aligned with the definition laid down in ILO Convention No. 29. The definition of 'forced labour applied by state authorities' should be aligned with ILO Convention No. 105, which prohibits specifically the use of forced labour as punishment for the expression of political views, for the purposes of economic development, as a means of labour discipline, as a punishment for participation in strikes, or as a means of racial, religious or other discrimination.²⁰

²⁰ [What is forced labour, modern slavery and human trafficking \(Forced labour, modern slavery and human trafficking\) \(ilo.org\)](#) and the ILO Conventions No. 29 and No. 105 referred therein.

- (18) Micro, small and medium-sized enterprises ('SMEs') can have limited resources and ability to ensure that the products they place or make available on the Union market are free from forced labour. The Commission should therefore issue guidelines on due diligence in relation to forced labour, which should take into account also the size and economic resources of economic operators. In addition, the Commission should issue guidelines on forced-labour risk indicators and on publicly available information in order to help SMEs, as well as other economic operators, to comply with the requirements of the prohibition.
- (19) The competent authorities of the Member States should monitor the market to identify violations of the prohibition. In appointing those competent authorities, Member States should ensure that those authorities have sufficient resources and that their staff has the necessary competences and knowledge, especially with regard to human rights, ~~value~~ **supply** chain management and due diligence processes. Competent authorities should closely coordinate with national labour inspections and judicial and law enforcement authorities, including those responsible for the fight against trafficking in human beings in such a way as to avoid jeopardising investigations by such authorities.
- (20) In order to increase the effectiveness of the prohibition, competent authorities should grant reasonable time to economic operators to identify, mitigate, prevent and bring to an end the risk of forced labour.
- (21) When identifying potential violations of the prohibition, the competent authorities should follow a risk-based approach and assess all information available to them. Competent authorities should initiate an investigation where, based on their assessment of all available information, they establish that there is a substantiated concern of a violation of the prohibition.

- (22) Before initiating an investigation, competent authorities should request from the economic operators under assessment information on actions taken to mitigate, prevent or bring to an end risks of forced labour in their operations and ~~value~~ **supply** chains with respect to the products under assessment. Carrying out such due diligence in relation to forced labour should help the economic operator to be at a lower risk of having forced labour in its operations and ~~value~~ **supply** chains. Appropriate due diligence means that forced labour issues in the ~~value~~ **supply** chain have been identified and addressed in accordance with relevant Union legislation ~~and~~ **or in line with** international standards. That implies that where the competent authority considers that there is no substantiated concern of a violation of the prohibition, for instance due to, but not limited to the applicable legislation, guidelines, recommendations or any other due diligence in relation to forced labour being applied in a way that mitigates, prevents and brings to an end the risk of forced labour, no investigation should be initiated.
- (23) In order to ensure cooperation among competent authorities designated under this and other relevant legislation and in order to ensure consistency in their actions and decisions, competent authorities designated under this Regulation should request information from other relevant authorities, where necessary, on whether economic operators under assessment are subject to and carry out due diligence in relation to forced labour in accordance with applicable Union legislation or Member States legislation setting out due diligence and transparency requirements with respect to forced labour.
- (24) During the preliminary phase of investigation, competent authorities should focus on the economic operators involved in the steps of the ~~value~~ **supply** chain where there is a higher risk of forced labour with respect to the products under investigation, also taking into account their size and economic resources, the quantity of products concerned and the scale of the suspected forced labour.

- (25) Competent authorities, when requesting information during the investigation, should prioritise to the extent possible and consistent with the effective conduct of the investigation the economic operators under investigation that are involved in the steps of the ~~value~~ **supply** chain as close as possible to where the likely risk of forced labour occurs and take into account the size and economic resources of the economic operators, the quantity of products concerned, as well as the scale of suspected forced labour.
- (26) Competent authorities should bear the burden of establishing that forced labour has been used at any stage of production, manufacture, harvest or extraction of a product, including working or processing related to the product on the basis of all information and evidence gathered during the investigation, including its preliminary phase. To ensure their right to due process, economic operators should have the opportunity to provide information in their defence to the competent authorities throughout the investigation.
- (27) Competent authorities that establish that economic operators violated the prohibition, should without delay prohibit the placing and making available of such products on the Union market and their export from the Union, and require the economic operators that have been investigated to withdraw the ~~relevant~~ products **concerned** already made available from the Union market and have them destroyed, rendered inoperable, or otherwise disposed of in accordance with national law consistent with Union law, including Union legislation on waste management.
- (28) In that decision, competent authorities should state the findings of the investigation, and the information underpinning the findings, and set a reasonable time within which the economic operators should comply with the decision, as well as information allowing for the identification of the product to which the decision applies. The Commission should be empowered to adopt ~~the~~ implementing acts necessary to specify the details about the information to be contained in such decisions.

- (29) In setting a reasonable time to comply with the order, competent authorities should take into account the size and economic resources of the economic operators concerned.
- (30) If the economic operators fail to comply with the decision of the competent authorities by the end of the established timeframe, the competent authorities should ensure that the ~~relevant~~ products **concerned** are prohibited from being placed or made available on the Union market, exported or withdrawn from the Union market and that any such products remaining with the relevant economic operators are destroyed, rendered inoperable, or otherwise disposed of in accordance with national law consistent with Union law, including Union legislation on waste management at the expense of the economic operators.
- (31) Economic operators should have the possibility to request a review of the decisions by the competent authorities, after having provided new information showing that it cannot be concluded that the ~~relevant~~ products **concerned** have been made with forced labour. Competent authorities should withdraw their decision where they establish on the basis of that new information, that it cannot be established that the products have been made with forced labour.
- (32) Any person, whether it is a natural or legal person, or any association not having legal personality, should be allowed to submit information to the competent authorities when it considers that products made with forced labour are placed and made available on the Union market and to be informed of the outcome of the assessment of their submission.

(33) The Commission should issue guidelines in order to facilitate the implementation of the prohibition by economic operators and competent authorities. Such guidelines should include guidance on due diligence in relation to forced labour and complementary information for the competent authorities to implement the prohibition. The guidance on due diligence in relation to forced labour should build on the Guidance on due diligence for Union businesses to address the risk of forced labour in their operations and supply chains published by the Commission and the European External Action Service in July 2021. The guidelines should be consistent with other Commission guidelines in this regard and relevant international organisations' guidelines. The reports from international organisations, in particular the ILO, as well as other independent and verifiable sources of information should be considered for the identification of risk indicators.

(33a) The Commission should set up a database, calling on external expertise if needed to provide a publicly available database with indicative, non-exhaustive, verifiable and regularly updated information about forced labour risks in specific geographic areas or with respect to specific products. The database will support the work of competent authorities in assessing possible violations of the prohibition and will facilitate that economic operators identify possible forced labour risks in their supply chains.

- (34) Decisions of the competent authorities establishing a violation of the prohibition should be communicated to customs authorities, who should aim at identifying the product concerned amongst products declared for release for free circulation or export. The competent authorities should be responsible for the overall enforcement of the prohibition with regard to the internal market as well as products entering or leaving the Union market. Since forced labour is part of the manufacturing process and does not leave any trace on the product, and Regulation (EU) 2019/1020 covers only manufactured products and its scope is limited to release for free circulation, the customs authorities would be unable to act autonomously under Regulation (EU) 2019/1020 for the application and enforcement of the prohibition. The specific organisation of controls of each Member State should be without prejudice to Regulation (EU) No 952/2013 of the European Parliament and of the Council²¹ and its general provisions on the control and supervisory powers of customs authorities.

²¹ Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast) (OJ L 269, 10.10.2013, p. 1).

(35) The information currently **provided or** made available to customs authorities by economic operators includes only general information on the products but lacks information on the manufacturer or producer and product suppliers as well as specific information on products. In order for customs authorities to be able to identify products entering or leaving the Union market that may violate the Regulation and should accordingly be stopped at the EU external borders, economic operators should submit to customs authorities information allowing matching a decision of the competent authorities with the product concerned. This should include information on the manufacturer or producer and the product suppliers as well as any other information on the product itself. To this end, the Commission should be empowered to adopt delegated acts identifying the products for which such information should be provided using, amongst others, the database established under this Regulation as well as the information and decisions of the competent authorities encoded in the information and communication system set out in Article 34 of Regulation (EU) 2019/1020 ('ICSMS'). Moreover, the Commission should be empowered to adopt, ~~the~~ implementing acts necessary to specify the details of the information to be **provided or** made available to customs by the economic operators. This information should include the description, name or brand of the product, specific requirements under Union legislation for the identification of the product (such as a type, reference, model, batch or serial number affixed on the product, or provided on the packaging or in a document accompanying the product, or unique identifier of the digital product passport) as well as details on the manufacturer or producer and the product suppliers, including for each of them their name, trade name or registered trademark, their contact details, their unique identification number in the country they are established and, where available, their Economic Operators Registration and Identification (EORI) number. The review of the Union Customs Code will consider introducing in the customs legislation the information required to be **provided or** made available to customs by the economic operators for the enforcement of this Regulation and more broadly to strengthen the transparency of the supply chain.

- (36) Customs authorities that identify a product that may be covered by a decision communicated by competent authorities establishing a violation of the prohibition should suspend the release of that product and notify the competent authorities immediately. Competent authorities should reach a conclusion within a reasonable timeframe on the case notified to them by the customs authorities, either by confirming or by denying that the product concerned is covered by a decision. Where necessary the competent authorities should be authorised to require maintaining the suspension of its release. In the absence of a conclusion by competent authorities within the specified time limit, customs authorities should release the products if all other applicable requirements and formalities are fulfilled. Generally, the release for free circulation or export should also not be deemed to be proof of compliance with Union law, since such a release does not necessarily include a complete control of such compliance.
- (37) Where the competent authorities conclude that a product corresponds to a decision establishing a violation of the prohibition, they should immediately inform customs authorities which should refuse its release for free circulation or export. The product should be destroyed, rendered inoperable, or otherwise disposed of in accordance with national law consistent with Union law, including legislation on waste management, which excludes re-export in case of non-Union goods.
- (38) The conditions applicable to products during the suspension of their release for free circulation or export, including their storage or destruction and disposal of in case of a refusal of release for circulation, should be determined by customs authorities, where applicable pursuant to Regulation (EU) No 952/2013. Should products entering the Union market require further processing, they are to be placed under the appropriate customs procedure allowing such processing in accordance with Articles 220, 254, 256, 257 and 258 of Regulation (EU) No 952/2013.

- (39) A uniform enforcement of the prohibition as regards products entering or leaving the Union market can only be achieved through systematic exchange of information and cooperation amongst competent authorities, customs authorities and the Commission.
- (40) For the collection, processing and storage of information, in a structured form, on issues relating to the enforcement of the prohibition, the competent authorities should use ICSMS. The Commission, competent authorities and customs authorities should have access to that system to carry out their respective duties under this Regulation.

(41) In order to optimise and unburden the control process of products entering or leaving the Union market, it is necessary to allow for an automated data transfer between the ICSMS and customs systems. Three different data transfers should be distinguished in view of their respective purposes. Firstly, decisions establishing a violation of the prohibition should be communicated from the ICSMS to the Electronic Customs Risk Management System (CRMS) referred to in Article 36 of Commission Implementing Regulation (EU) 2015/2447²², without prejudice to any future evolution of the customs risk management environment, for use by customs authorities to identify products that may correspond to such a decision. The available interfaces of the customs environment should be used for those first data transfers. Secondly, where customs authorities identify such a product, case management will be necessary to, among others, transfer the notification of the suspension, the conclusion of competent authorities and the outcome of the actions taken by customs. The EU Single Window Environment for customs should support those second data transfers between ICSMS and national customs systems. Thirdly, customs systems contain information on products entering and leaving the Union market that would be relevant for competent authorities to carry out their duties but that is not accessible to them. The relevant information should therefore be extracted and transmitted to the ICSMS. The three interconnections should be highly automated and easy-to-use, so as to limit any additional burden for customs authorities. The Commission should be empowered to adopt, in cooperation with customs authorities and competent authorities, the implementing acts necessary to determine the procedural rules, practical arrangements and data elements to be transferred between the ICSMS and customs systems and any other ancillary requirement.

²² Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, OJ L 343, 29.12.2015, p. 558.

- (42) To ensure effective enforcement decisions taken by a competent authority in one Member State should be recognised and enforced by competent authorities in the other Member States regarding products with the same identification from the same supply chain for which forced labour has been found.
- (43) Where, for the prohibition, it is necessary to process personal data, such processing should be carried out in accordance with Union law on the protection of personal data. Any processing of personal data under the prohibition should be subject to Regulation (EU) 2016/679 of the European Parliament and of the Council²³ and Regulation (EU) 2018/1725 of the European Parliament and of the Council²⁴.
- (44) To ensure effective enforcement of the prohibition, it is necessary to establish a network aimed at structured coordination and cooperation between the competent authorities of the Member States and, where appropriate, experts from customs authorities, and the Commission. That network should also aim at streamlining the practices of the competent authorities within the Union that facilitate the implementation of joint enforcement activities by Member States, including joint investigations. That administrative support structure should allow the pooling of resources and maintain a communication and information system between Member States and the Commission, thereby helping to strengthen the enforcement of the prohibition.

²³ Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation), OJ L 119, 4.5.2016, p. 1.

²⁴ Regulation (EU) 2018/1725 of the European Parliament and of the Council of 23 October 2018 on the protection of natural persons with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repealing Regulation (EC) No 45/2001 and Decision No 1247/2002/EC, OJ L 295, 21.11.2018, p. 39.

(45) Since forced labour is a global problem and given the interlinkages of the global value chains, it is necessary to promote international cooperation against forced labour, which would also improve the efficiency of applying and enforcing the prohibition. The Commission should as appropriately cooperate with and exchange information with authorities of third countries and international organisations to enhance the effective implementation of the prohibition. International cooperation with authorities of non-EU countries should take place in a structured way as part of the existing dialogue structures, for example Human Rights Dialogues with third countries, or, if necessary, specific ones that will be created on an ad hoc basis.

(45a) [Whistleblowers can bring new information to the attention of competent authorities to help them to detect infringements of this Regulation and enable them to take action. It should be ensured that adequate arrangements are in place to enable whistleblowers to alert the competent authorities to actual or potential infringements of this Regulation and to protect the whistleblowers from retaliation. For that purpose, it should be provided in this Regulation that Directive (EU) 2019/1937 of the European Parliament and of the Council²⁵ is applicable to the reporting of breaches of this Regulation and to the protection of persons reporting such breaches.]

(45b) [To enhance legal certainty, the applicability, pursuant to this Regulation, of Directive (EU) 2019/1937 to reports of breaches of this Regulation and to the protection of persons reporting such breaches should be reflected in that Directive. The Annex to Directive (EU) 2019/1937 should therefore be amended accordingly.] It is for the Member States to ensure that this amendment is reflected in their transposition measures adopted in accordance with Directive (EU) 2019/1937, although the adoption of national transposition measures is not a condition for the applicability of that Directive to the reporting of breaches of this Regulation and to the protection of reporting persons from the date of application of this Regulation.

²⁵ **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. 17-56.**

- (46) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council²⁶.
- ~~(47) In order to supplement or amend certain non-essential elements of this Regulation, the power to adopt acts in accordance with Article 290 of the Treaty on the Functioning of the European Union (TFEU) should be delegated to the Commission. It is of particular importance that the Commission carries out appropriate consultations during its preparatory work, including at expert level. The Commission, when preparing and drawing up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.~~
- (48) In order to ensure that the customs authorities are ~~provided with all the necessary information about the product to~~ **able to** act effectively, including the information ~~identifying the relevant product, information about the manufacturer or the producer and information about the product suppliers as regards products entering or leaving the Union market,~~ the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission. **These acts should indicate the additional information identifying the product concerned (information about the manufacturer or the producer and information about the product suppliers as regards products entering or leaving the Union market) that economic operators should make available or provide to the customs authorities.** Customs authorities need to be enabled to obtain information rapidly on specific products, identified in the decisions of the competent authorities in order to take actions and measures effectively and swiftly. In such cases, delegated acts should be adopted in an urgent procedure.

²⁶ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers, OJ L 55, 28.2.2011, p. 13.

- (49) Since the objective of this Regulation, namely, the prohibition, cannot be sufficiently achieved by the Member States but can rather, by reason of its scale and effects, 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 that objective.
- (50) In order to allow for the prompt application of **preparation for complying with** the measures provided for in this Regulation, this Regulation should enter into force ~~on the day~~ **20 days** following that of its publication in the Official Journal of the European Union,

HAVE ADOPTED THIS REGULATION:

Chapter I

General provisions

Article 1

Subject matter and scope

1. This Regulation lays down **harmonised** rules prohibiting economic operators from placing and making available on the Union market or exporting from the Union market products made with forced labour.
2. This Regulation shall not cover the withdrawal of products which have reached the end-users in the Union market.

Article 2

Definitions

For the purposes of this Regulation, the following definitions apply:

- (a) ‘forced labour’ means forced or compulsory labour, **including forced child labour**, as defined in Article 2 of the Convention on Forced Labour, 1930 (No. 29) of the International Labour Organization, ~~including forced child labour~~;
- (b) ‘forced labour imposed by state authorities’ means the use of forced labour as described in Article 1 of the Convention on the Abolition of Forced Labour, 1957 (No. 105) of the International Labour Organization;
- (ba) ‘remediate’ means financial or non-financial compensation provided by the economic operator to a person or persons affected by forced labour, that shall be proportionate to the significance and scope of the forced labour and the economic operator’s implication;**
- (c) ‘due diligence in relation to forced labour’ means the efforts by economic operator to implement mandatory **national or EU** requirements, **especially national measures transposing [Directive 20XX/XX/EU of the European Parliament and of the Council on Corporate Sustainability Due Diligence]**, voluntary guidelines, recommendations or practices to identify, prevent, mitigate or bring to an end the use of forced labour with respect to products that are to be **placed or to be** made available on the Union market or to be exported;

- (d) 'making available on the market' means any supply of a product for distribution, consumption or use on the Union market in the course of a commercial activity, whether in return for payment or free of charge ~~and in the case where the product is offered for sale online or through other means of distance sales, the making available on the market is deemed to take place when the offer for sale is targeted at users in the Union;~~
- (e) 'placing on the market' means the first making available of a product on the Union market;
- (f) 'product' means any product that can be valued in money and is capable, as such, of forming the subject of commercial transactions, whether it is extracted, harvested, produced or manufactured, including working or processing related to a product at any stage of its supply chain;
- (g) 'product made with forced labour' means a product for which forced labour has been used in whole or in part at any stage of its extraction, harvest, production or manufacture, including working or processing related to a product at any stage of its supply chain;
- (ga) 'supply chain' means the entire network of operators involved at all stages, upstream of the product being made available on the market, related to the extraction, harvesting, production, manufacturing and supply of a product or parts of the products to be incorporated in the final products to be made available;**
- (h) 'economic operator' means **the manufacturer, producer, product supplier, importer, exporter or** any natural or legal person or association of persons who is placing or making available products on the Union market or exporting products;
- (ha) 'provider of an online marketplace' means a provider of an intermediary service using an online interface which allows consumers to conclude distance contracts with traders for the sale of products;**

(hb) ‘online interface’ means any software, including a website, part of a website or an application, including mobile applications;

(i) ‘manufacturer’ means ~~the manufacturer of the product pursuant to the Union legislation applicable to that product~~ **any natural or legal person who manufactures a product or has a product designed or manufactured, and markets that products under its name or trademark;**

(j) ‘producer’ means the producer of agricultural products as referred to in Article 38(1) TFEU or of raw materials;

(k) ‘product supplier’ means any natural or legal person or association of persons in the supply chain who extracts, harvests, produces or manufactures a product in whole or in part, or intervenes in the working or processing related to a product at any stage of its supply chain, whether as manufacturer or in any other circumstances;

(ka) ‘end user’ means any natural or legal person residing or established in the Union, to whom a product has been made available either as a consumer outside of any trade, business, craft or profession or as a professional end user in the course of its industrial or professional activities;

(l) ‘importer’ means any natural or legal person or association of persons established within the Union who places a product from a third country on the Union market;

(m) ‘exporter’ means the exporter as defined in Article 1, point (19) of Commission Delegated Regulation (EU) 2015/2446²⁷;

²⁷ Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, OJ L 343, 29.12.2015, p. 1.

- (n) ‘substantiated concern’ means a ~~well-founded reason, based on objective and verifiable information~~ **duly reasoned claim based on objective and verifiable information**, for the competent authorities to suspect that products were likely made with forced labour;
- (o) ‘customs authorities’ means customs authorities as defined in Article 5, point (1), of Regulation (EU) No 952/2013;
- (p) ‘products entering the Union market’ means products from third countries intended to be placed on the Union market or intended for private use or consumption within the customs territory of the Union and **to be** placed under the customs procedure ‘release for free circulation’;
- (q) ‘products leaving the Union market’ means products **to be** placed under the customs procedure ‘export’;
- (r) ‘release for free circulation’ means the procedure laid down in Article 201 of Regulation (EU) No 952/2013;
- (s) ‘export’ means the procedure laid down in Article 269 of Regulation (EU) No 952/2013;
- (t) ‘EU Customs Single Window Certificates Exchange System’ or (EU CSW-CERTEX) means the system established by Article 4 of the [Regulation (EU) ~~XX/20XX~~ **2022/2399** establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013 ~~COM/2020/673 final~~];
- (u) “National single window environments for customs” means the national single window environments for customs as defined in point 9 of Article 2 of [Regulation (EU) ~~XX/20XX~~ **2022/2399** of the European Parliament and of the Council²⁸].

²⁸ Regulation (EU) ~~XX/20XX~~ **2022/2399** of the European Parliament and of the Council of **23 November 2022 establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013**, OJ, **L 317, 9.12.2022, p. 1.**

Article 2a

Distance sales

Products offered for sale online or through other means of distance sales shall be deemed to be made available on the market if the offer is targeted at end-users in the Union. An offer for sale shall be considered to be targeted at end-users in the Union if the relevant economic operator directs, by any means, its activities to one or more Member States.

Article 3

Prohibition of products made with forced labour

Economic operators shall not place or make available on the Union market products that are made with forced labour, nor shall they export such products.

Chapter II

Investigations and decisions of competent authorities

Article 4

Preliminary phase of investigations

1. Competent authorities shall follow a risk-based approach in assessing the likelihood that economic operators violated Article 3. That assessment shall be **confidential**, based on all relevant **and verifiable** information available to them, including, **but not limited to**, the following information:
 - (a) submissions made **pursuant to Article 10** by natural or legal persons or any association not having legal personality ~~pursuant to Article 10~~;
 - (b) the risk indicators and other information pursuant to Article 23, points (b) and (c);

- (c) the database referred to in Article 11;
- (d) information and decisions encoded in the information and communication system referred to in Article 22(1), including any past cases of compliance or non-compliance of an economic operator with Article 3;
- (e) information requested by the competent authority from other relevant authorities **on the products and economic operators**, where necessary, **including** on whether the economic operators under assessment are subject to and carry out due diligence in relation to forced labour in accordance with applicable Union legislation or Member States legislation setting out due diligence and transparency requirements with respect to forced labour-;

(ea) consultations with civil society organisations and trade unions.

2. In their assessment of the likelihood that economic operators violated Article 3, competent authorities shall focus on the economic operators involved in the steps of the ~~value~~ **supply** chain as close as possible to where the risk of forced labour is likely to occur and take into account the size and economic resources of the economic operators, **as well as the share of the component in the final product**, the quantity of products concerned, ~~as well as~~ **and** the scale of suspected forced labour.
3. Before initiating an investigation in accordance with Article 5(1), the competent authority shall request from the economic operators under assessment information on **its ongoing** actions taken to identify, prevent, mitigate or bring to an end risks of forced labour in their operations and ~~value~~ **supply** chains with respect to the products under assessment, including on the basis of any of the following:
 - (a) applicable Union legislation or Member States legislation setting out due diligence and transparency requirements ~~with respect~~ **in relation** to forced labour;

- (b) the guidelines issued by the Commission pursuant to Article 23, point (a);
- (c) due diligence guidelines or recommendations of the UN, ILO, OECD or other relevant international organisations;
- (d) any other due diligence in relation to forced labour **or other information on the absence of forced labour.**

3a. In their assessment of the likelihood that economic operators violated Article 3, the competent authority shall also duly take into account where the economic operator demonstrates that it carries out due diligence on the basis of identified forced labour impact in its supply chain, adopts and carries out measures suitable and effective for bringing to an end, and mitigate the risk of forced labour in a short period of time.

4. Economic operators shall respond to the request of the competent authority referred to in paragraph 3 within ~~15~~ **30** working days from the day they received such request. Economic operators may provide to competent authorities any other information they may deem useful for the purposes of this Article.
5. Within 30 working days from the date of receipt of the information submitted by economic operators pursuant to paragraph 4 **or from the day by which the economic operator should have submitted the information**, the competent authorities shall conclude the preliminary phase of their investigation as to whether there is a substantiated concern of violation of Article 3 on the basis of the assessment referred to in paragraph 1 and, **if any,** the information submitted by economic operators pursuant to paragraph 4.

5a. If the competent authorities conclude that there is a substantiated concern of violation of Article 3 and before initiating an investigation according to Article 5(1), the competent authority shall invite the economic operator under assessment for consultations. These consultations shall take place within the time frames established in paragraphs 4 and 5.

6. ~~The competent authority shall duly take into account where the economic operator demonstrates that it carries out due diligence on the basis of identified forced labour impact in its supply chain, adopts and carries out measures suitable and effective for bringing to an end forced labour in a short period of time.~~
7. Competent authorities shall not initiate an investigation pursuant to in accordance with Article 5(1), and shall inform the economic operators under assessment accordingly, where, on the basis of the assessment referred to in paragraph 1 and the information submitted by economic operators pursuant to paragraph 4, the competent authorities consider that there is no substantiated concern of a violation of Article 3, ~~for instance due to, but not limited to, the applicable legislation, guidelines, recommendations or any other due diligence in relation to forced labour referred to in paragraph 3 being applied in a way that mitigates, prevents and brings to an end the risk of forced labour.~~
8. **Before initiating an investigation in accordance with Article 5(1), the competent authority shall inform and coordinate its actions with any other competent authority designated by the Member State under Directive (EU) [XXX/XXX] on Corporate Sustainability Due Diligence and 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.**

Article 5
Investigations

1. Competent authorities that, pursuant to Article 4(5a), determine that there is a substantiated concern of a violation of Article 3, shall decide to initiate an investigation on the products and economic operators concerned.

2. Competent authorities that initiate an investigation pursuant to paragraph 1 shall inform the economic operators subject to the investigation, within ~~3~~ **5** working days from the date of the decision to initiate such investigation about the following:
- (a) the initiation of the investigation and the possible consequences thereof;
 - (b) the products subject to the investigation;
 - (c) the reasons for the initiation of the investigation, unless it would jeopardise the outcome of the investigation;
 - (d) the possibility for the economic operators to submit any other document or information to the competent authority, and the date by which such information has to be submitted.
3. Where requested to do so by competent authorities, economic operators under investigation shall submit, **within not less than 30 working days,** ~~to those competent authorities any~~ information that is relevant and necessary for the investigation, ~~It shall including~~ **include** information identifying the products under investigation, the manufacturer or producer of those products and the product suppliers. In requesting such information, **and defining the timeline to submit it,** competent authorities shall to the extent possible:
- (a) prioritise the economic operators under investigation involved in the steps of the ~~value~~ **supply** chain as close as possible to where the likely risk of forced labour occurs and
 - (b) take into account the size and economic resources of the economic operators, the quantity of products concerned, as well as the scale of suspected forced labour.
4. Economic operators ~~shall submit the information within 15 working days from the request referred to in paragraph 3 or make a justified request for~~ **may request an a justified** extension of that time limit.

5. ~~When deciding on the time limits referred to in this Article, competent authorities shall consider the size and economic resources of the economic operators concerned.~~
6. Competent authorities may carry out **investigations, including** all necessary checks and inspections ~~including investigations in third countries~~ **within the Union**, provided that ~~the economic operators concerned give their consent and that the government of the Member State or third country in which the inspections are to take place has been officially notified and raises no objection.~~
7. **In cases where a competent authority needs to carry out checks and inspections in another Member State for the purpose of its investigation, these checks and inspections shall be led by the competent authority of the Member State where the checks and inspections take place. This information shall be encoded in the information and communication system referred to in Article 22(1).**
8. **The findings of these inspections shall be communicated to the lead competent authority. If the lead authority, in collaboration with the competent authorities involved, concludes that Article 3 has been violated, on the basis of the results of inspections in other Member States and the elements gathered pursuant to Articles 4 and 5, it shall adopt a decision according to Article 6.**
9. **When a competent authority deems that it requires gathering information regarding a third country for the purpose of its investigation, it shall notify the Commission through the network mentioned in Article 24. The Commission shall then promote a coordinated action between its services and the competent authorities involved to define the most appropriate way to gather such information.**

- 10. When the Commission and the competent authorities involved deem necessary to conduct a field inspection in a third country for the purposes of an investigation, such inspection shall be led by the Commission, provided that the government of that third country has been officially notified and raises no objection to the inspection. The findings of these inspections shall be communicated by the Commission to the lead competent authority. If the lead authority, in collaboration with the competent authorities involved and the Commission, concludes that article 3 has been violated, on the basis of the results of inspections in third countries and the elements gathered pursuant to article 4 and 5, it shall adopt a decision according to Article 6.**
- 11. The Commission shall inform the EEAS of investigations regarding third countries and may ask for the support of the EU Delegation in the concerned country to gather information and carry out checks and inspections.**

Article 6

Decisions of competent authorities

1. Competent authorities shall assess all information and evidence gathered pursuant to Articles 4 and 5 and, on that basis, establish whether Article 3 has been violated, within a reasonable period of time from the date they initiated the investigation pursuant to Article 5(1).
2. Notwithstanding paragraph 1, **where it was not possible to gather information and evidence pursuant to Article 5(3) or (6),** competent authorities may establish that Article 3 has been violated on the basis of any other ~~facts available where it was not possible to gather information and evidence pursuant to Article 5(3) or (6)~~ **relevant and verifiable information.**

3. Where competent authorities cannot establish that Article 3 has been violated, they shall take a decision to close the investigation and inform the economic operator thereof. **The closing of the investigation for lack of proof shall not preclude the right of the competent authority to start a new investigation into the same product and economic operator in case new relevant information arises.**
4. Where competent authorities establish that Article 3 has been violated, they shall without delay adopt a decision containing:
- (a) a prohibition to place or make the products concerned available on the Union market and to export them;
 - (b) an order for the economic operators that have been subject to the investigation to withdraw from the Union market the ~~relevant~~ products **concerned** that have already been placed or made available on the market **and/or to remove content from an online interface referring to the products or listings of the products concerned;**
 - (c) an order for the economic operators that have been subject to the investigation to dispose of the ~~respective~~ products **concerned** in accordance with **Article 8c**, national law consistent with Union law;³
 - (d) other elements provided by Article 7.**
- ~~5. Where an economic operator has failed to comply with the decision referred to in paragraph 4, the competent authorities shall ensure all of the following:~~
- ~~(a) that it is prohibited to place or make available the products concerned on the market;~~
 - ~~(b) that the products already placed or made available on the market are withdrawn from the Union market;~~
 - ~~(c) that any product remaining with the economic operator concerned is disposed of in accordance with national law consistent with Union law at the expense of the economic operator.~~

6. ~~Where economic operators provide evidence to the competent authorities that they have complied with the decision referred to in paragraph 4, and that they have eliminated forced labour from their operations or supply chain with respect to the products concerned, the competent authorities shall withdraw their decision for the future and inform the economic operators.~~

Article 7

Content of the decision

1. The decision referred to in Article 6(4) shall **also** contain all of the following:
 - (a) the findings of the investigation and the information underpinning the findings;
 - (b) a reasonable time limit for the economic operators to comply with the order, which shall not be less than 30 working days. **When setting such a time limit, the competent authority shall take into account the economic operator's size and economic resources and the availability of alternative sources of supply. In case of perishable goods, animals and plants the time limit shall be no less than 10 working days from the date of receipt of that decision** and no longer than necessary to withdraw the respective products **concerned and to dispose of them**. ~~When setting such a time limit, the competent authority shall take into account the economic operator's size and economic resources;~~
 - (c) all relevant information and in particular the details allowing the identification of the product, to which the decision applies, including details about the manufacturer or producer and the product suppliers;
 - (d) where available and applicable, information required under customs legislation as defined in Article 5(2) of Regulation (EU) No 952/2013;
 - (e) **information on the possibilities for review pursuant to Article 8 and for a judicial review against a definitive decision.**

2. The Commission shall adopt implementing acts further specifying the details of the information to be included in the decisions. Those details shall as a minimum include details of information to be **provided or** made available to customs authorities in accordance with Article 16(3). Those implementing acts shall be adopted in accordance with the examination procedure pursuant to Article 29(2).

Article 8

Review of decisions

1. Competent authorities shall provide economic operators ~~affected by a decision adopted to~~ **whom a decision is addressed** pursuant to Article 6(4) the possibility of requesting a review of that decision within **30** ~~15~~ working days from the date of receipt of that decision. In case of perishable goods, animals and plants, that time limit shall be 5 working days. The request for review shall contain information which demonstrates that the products are placed or made available on the market or to be exported in compliance with Article 3. **The request for review is also admissible in case of products that have already perished.**
- (1a) A decision adopted pursuant to Article 6(4) becomes definitive and eligible for judicial review once the time limit foreseen in paragraph 1 for economic operator to request review and the time limit foreseen in Article 14(2) for competent authorities has expired without requesting a review of the decision.**
- (1b) Economic operators to whom a decision is addressed pursuant to Article 6 (4) can only present a single request for review.**

2. A request for a review of a decision adopted pursuant ~~to~~ Article 6(4) shall contain new information that was not brought to the attention of the competent authority during the investigation. The request for a review shall delay the enforcement of the decision adopted pursuant to Article 6(4) until the competent authority decides on the request for the review.
3. ~~A~~ **The** competent authority shall take a decision on the request for review within 15 working days from the date of receipt of the request. In case of perishable goods, animals and plants that time limit shall be 5 working days.
4. Where ~~the~~ **a** competent authority considers that after taking into account the new information provided by the economic operator in accordance with paragraph 1 it cannot establish that the products have been placed or made available on the market or are being exported in violation of Article 3, it shall ~~withdraw~~ **revoke** its decision adopted pursuant to Article 6(4).
- (4a) Where the competent authority considers that the new information provided by the economic operator in accordance with paragraph 1 does not affect its decision adopted pursuant to Article 6(4), it shall confirm that decision.**
- (4b) A decision referred to in paragraph 6 of this Article shall be definitive and eligible for a judicial review from the day of receipt of that decision by the economic operator.**
5. Economic operators that have been affected by a decision of a competent authority pursuant to this Regulation shall have access to a court to review the procedural and substantive legality of the decision. 6. Paragraph 5 shall be without prejudice to any provision of national law which requires that administrative review procedures be exhausted prior to recourse to judicial proceedings.
7. Decisions adopted by competent authorities pursuant to Article 6 and to this Article are without prejudice to any decisions of a judicial nature taken by national courts or tribunals of the Member States with respect to the same economic operators or products.

Article 8a

Enforcement of the decisions

1. Where within the reasonable time limit referred to in Article 7(1)(b) an economic operator has failed to comply with the decision referred to in article 6(4), and the decision became definitive because no review was submitted against it within the time limit provided in Article 8(1) or following its review according to Article 8(3), the competent authorities, with the support of the Commission, shall ensure all of the following:

 - (a) that it is prohibited to place or make available the products concerned on the Union market;
 - (b) that the products concerned already placed or made available on the market are withdrawn from the Union market by relevant authorities, in accordance with Union and national laws;
 - (c) that the products concerned remaining with the economic operator are disposed of in accordance with Article 8c, at the expense of the economic operator;
 - (d) that access to the online interface referring to the products and listings of the products concerned is restricted by requesting the relevant third party to implement such measures.
2. If the economic operator has failed to comply with the decision, the competent authority shall impose penalties on the economic operator pursuant to article 30.
3. Where economic operators provide evidence to the competent authorities that they have complied with the decision referred to in paragraph 4, and that they have eliminated and remediated forced labour from their operations or supply chain with respect to the products concerned, the competent authorities shall withdraw their decision for the future and inform the economic operators.

Article 8b

Withdrawal of products made with forced labour

1. Any decision to order the withdrawal of the products already placed or made available on the Union market and their disposal referred to in Article 6(4) should be communicated to the nationally recognized responsible institution.
2. The enforcement of the withdrawal of products is of the responsibility of the nationally recognized responsible institution.

Article 8c

Disposal of products made with forced labour

1. Disposal of the products concerned shall include at least one of the following actions, as applicable, conducted in accordance with national law consistent with Union law:
 - (a) destruction of the products concerned;
 - (b) rendering the products concerned inoperable;
 - (c) in the case of agricultural and food products, donation of the products concerned for charitable or public interest purposes, or, if that is not possible, disposing of them in accordance with Union law on waste management;
 - (d) otherwise disposing of the products concerned in accordance with national law consistent with Union law
2. The above paragraph shall also apply to economic operators responsible for disposing products according to Article 8a.1 (c).

Article 8d

Specific provisions on providers of online marketplaces related to forced labour

- 1. Any information related to the advertising, promotion and sale of products subject to a decision shall be considered as an illegal content within the meaning of article 3, point (h), of Regulation (EU) 2022/2065. Competent authorities may, in accordance with Article 9 of Regulation (EU) 2022/2065, issue an order to act against one or more specific items of such illegal content;**
- 2. Without prejudice to the general obligations provided for in Article 11 of Regulation (EU) 2022/2065, providers of online marketplaces shall designate a single point of contact allowing for direct communication, by electronic means, with competent authorities and the Commission, in particular for the purpose of notifying decisions taken pursuant to Article 6(4).**
- 3. Providers of online marketplaces shall ensure that they have internal processes in place in order to comply without undue delay with the decision taken pursuant to Article 6(4) of this Regulation.**

Article 9

Information obligations of the competent authorities

1. The competent authority shall without delay inform the Commission and the competent authorities of other Member States **and other relevant authorities** using the information and communication system referred to in Article 22(1) about the following:

(aa) any request for information made in accordance with Article 4(3);

- (a) any decision not to initiate an investigation following a preliminary phase of investigation, referred to in Article 4(7);
- (b) any decision to initiate an investigation referred to in Article 5(1);
- (c) any decision to prohibit placing and making available of the products on the market and their export, as well as to order the withdrawal of the products already placed or made available on the market and their disposal referred to in Article 6(4);
- (d) any decision to close the investigation referred to in Article 6(3);
- (e) any withdrawal of the decision referred to in Article **8a(2)** ~~6(6)~~;
- (f) any request of an economic operator for a review referred to in Article 8(1);
- (g) any result of the review referred to in Article 8(4);
- (h) any result of the judicial review referred to in Article 8(7).**

2. The Commission shall make available the decisions, and the withdrawals referred to in the paragraph 1, points ~~(e)~~, (d), (e), **(f)**, ~~and~~ (g) **and (h)** on a dedicated website.

Article 10

Submission of information regarding violations of Article 3

1. Submissions of information by any natural or legal person or any association not having legal personality, to competent authorities on alleged violations of Article 3 shall contain information on the economic operators or products concerned and provide the reasons **and documents** substantiating the allegation.
2. The competent authority shall, as soon as possible, inform the person or association referred to in paragraph 1 of the outcome of the assessment of their submission.

3. Directive (EU) 2019/1937 of the European Parliament and of the Council²⁹ shall apply to the reporting of all breaches of this Regulation and the protection of persons reporting such breaches.

Article 11

Database of forced labour risk areas or products

1. The Commission shall establish a database, with the assistance of ~~call upon external expertise~~ if needed. This database shall ~~to~~ provide an indicative, non-exhaustive, verifiable and regularly updated information ~~database~~ of forced labour risks in specific geographic areas or with respect to specific products including with regard to forced labour imposed by state authorities. The database shall be based on the guidelines referred to in Article 23, points (a), (b) and (c), and relevant external sources of information from, amongst others, international organisations and third country authorities. **It shall not publicly disclose information that directly names economic operators. The database shall be made available in all official languages of the institutions of the Union.**
2. The Commission shall ensure that the database is made publicly available **no later than 18** ~~by the external expertise at the latest 24 months~~ after the entry into force of this Regulation.
3. ~~Economic operators placing or making available on the Union market or exporting products which are not mentioned in the database referred to in paragraph 1 of this Article, or which come from areas that are not mentioned in that database, shall also be required to comply with Article 3.~~

²⁹ 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.

Article 12

Competent authorities

1. Member States shall designate one or more competent authorities responsible for carrying out the obligations set out in this Regulation. ~~These Designated Member State~~ competent authorities shall **work in close cooperation with the Commission to ensure and be responsible for ensuring** the effective and uniform implementation of this Regulation throughout the Union.
 2. Where Member States have designated more than one competent authority, they shall clearly demarcate the respective duties and establish communication and coordination mechanisms that enable those authorities to collaborate closely and exercise their duties effectively.
 3. No later than **10P enter DATE = 12** ~~three~~ months after the date of entry into force of this Regulation], Member States shall, through the information and communication system referred to in Article 22(1), provide the Commission and the other Member States with the following information:
 - (a) the names, addresses and contact details of the designated competent authority or authorities;
 - (b) the areas of competence of the designated competent authority or authorities.
- Member States shall regularly update the information set out in points (a) and (b) of the first sub-paragraph of this paragraph.
4. The Commission shall make the list of the designated competent authorities publicly available on its website and shall regularly update that list, based on the updates received from Member States.

5. Member States shall ensure that the designated competent **authority or** authorities exercise **its or** their powers impartially, transparently and with due respect for obligations of professional secrecy. Member States shall ensure that their competent authorities have the necessary powers and resources to carry out the investigations, including sufficient budgetary and other resources and coordinate closely **and exchange information** with the **relevant** national **authorities such as the** labour inspections and judicial and law enforcement authorities, including those responsible for the fight against trafficking in human beings.
6. Member States shall confer on their competent authorities the power to impose penalties in accordance with Article 30.

Article 13

Cooperation ~~Administrative cooperation and coordination~~**communication among competent authorities and the Commission**

1. The Commission shall ensure efficient cooperation **and coordination** among the competent authorities of the Member States through facilitating and coordinating the exchange and collection of information and best practices with regard to the application of this Regulation.
2. ~~Competent authorities shall actively participate in the Network referred to in Article 24.~~
The competent authorities shall cooperate closely between them and with the Commission and provide each other with mutual assistance in order to apply this Regulation in a consistent and efficient manner. Mutual assistance shall include, in particular, exchange of information in accordance with Article 9.
3. **To ensure efficient cooperation and coordination, the Commission and competent authorities shall actively participate in the Network referred to in Article 24. This network is chaired and coordinated by the Commission.**

4. Competent authorities responsible for the application of this regulation may cooperate with competent authorities designated by the Member State under the Directive (EU) [XXX/XXX] on Corporate Sustainability Due Diligence and the 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.

Article 13a

Coordinated actions, joint investigations and designation of the lead authority

1. Where a competent authority identifies pursuant to Article 4(5) a substantiated concern of a violation of Article 3 covering at least two Member States, it shall inform the Commission and the concerned competent authorities through the Network referred to Article 24.
2. In the situations referred to in paragraphs (1) the Commission shall ensure a coordinated action among the competent authorities and, if appropriate, promote joint investigations.
3. If a joint investigation is initiated pursuant to paragraph (1), the lead authority shall be the one that first informed the Commission and competent authorities of other Member States.
4. Where two or more competent authorities initiate investigations concerning products with the same identification and from the same supply chain or same economic operators, the lead authority shall be the one which first informed the Commission and the competent authorities of other Member States of the decision to initiate an investigation in accordance with Article 9(1), point (b).

5. A competent authority that has received, through the information and communication system referred to in Article 22(1), a request from a competent authority of another Member State for information or to verify any evidence provided by an economic operator shall provide an answer within 30 working days from the date of receipt of the request.
6. Before initiating an investigation in accordance with Article 5, a competent authority shall verify in the information and communication system referred to in Article 22(1) whether there is a lead authority referred to in paragraph 4 and 5 investigating the product with the same identification and from the same supply chain or same economic operator.
7. Where there is a lead authority as referred to in paragraph 4 and 5, competent authorities shall share all the evidence and information they may have with that lead authority to facilitate the investigation and shall not start a separate investigation.
8. The lead authority shall carry out the investigation and adopt a decision in accordance with Article 6 on the basis of the assessment of all evidence before it.

Article 14

Recognition of decisions

1. Decisions taken pursuant to Article 6(4) by a competent authority in one Member State shall be recognised and enforced by competent authorities in the other Member States, in so far as they relate to products with the same identification and from the same supply chain for which forced labour has been found.
2. If a competent authority of another Member States objects, on duly justified grounds, to the decision taken pursuant to Article 6 by a competent authority or the Commission, it shall inform the Commission within 30 working days. The Commission shall then assess and decide whether the initial decision was justified or not.

~~A competent authority that has received, through the information and communication system referred to in Article 22(1), a request from a competent authority of another Member State for information to verify any evidence provided by an economic operator shall provide that information within 15 working days from the date of receipt of the request.~~

- ~~3. Where two or more competent authorities initiate investigations concerning the same products or economic operators, the lead authority shall be the one which first informed the Commission and the competent authorities of other Member States of the decision to initiate an investigation in accordance with Article 9(1), point (b).~~
- ~~4. Before initiating an investigation in accordance with Article 5, a competent authority shall verify in the information and communication system referred to in Article 22(1) whether the initial there is a lead authority referred to in paragraph 3 investigating the same product and economic operator.~~
- ~~5. Where there is a lead authority as referred to in paragraph 3, competent authorities shall share all the evidence and information they may have with that lead authority to facilitate the investigation and shall not start a separate investigation~~
- ~~6. The lead authority shall carry out the investigation and adopt a decision was justified or not in accordance with Article 6 on the basis of the assessment of all evidence before it.~~

Chapter III

Products entering or leaving the Union market

Article 15

Controls

1. Products entering or leaving the Union market shall be subject to the controls and measures laid down in this Chapter.
2. The application of this Chapter is without prejudice to **any** other Union **legal acts** ~~legislation~~ governing **customs risk management, customs controls and** the release for free circulation ~~or export~~ of **goods and export, under** products, in particular Articles 46, 47, 134 and 267 of Regulation (EU) No 952/2013.
3. The competent authority shall without delay, where no request for a review has been introduced within the time limits referred in Article 8(1) or the decision is definitive in case of a request for a review as referred to in Article 8(3), communicate to the customs authorities of Member States:
 - (a) any decision to prohibit the placing or making available of the products on the Union market and their export, ~~as well as to order the withdrawal of the products already placed or made available on the Union market and their disposal~~ referred to in Article 6(4);
 - (b) any decision following the review referred to in Article 8(3).

4. Customs authorities shall rely on the decisions communicated pursuant to paragraph 3 to identify products that may not comply with the prohibition laid down in Article 3. For that purpose, they shall carry out controls on products entering or leaving the Union market **based on risk management as laid down in** ~~in accordance with Articles 46 and 47 of Regulation (EU) No 952/2013.~~
5. The competent authority shall without delay communicate to the customs authorities of Member States a withdrawal of the decision referred to in Article ~~8a(2)~~⁶⁽⁶⁾.

Article 16

Additional information ~~Information to be~~ **provided or made available to customs authorities**

1. The Commission is empowered to adopt delegated acts in accordance with Article 27 to supplement this Regulation by identifying the products or product groups for which the information referred to in paragraph 2 shall be provided to customs authorities. **The products or product group concerned shall be chosen on a risk-based approach, building** amongst others, on the **information available in** ~~basis of the database referred to in Article 11, on the~~ ~~or information and decisions~~ **taken on the basis of Article 6(4), on information exchanged in the Union Network Against Forced Labour Products and on decisions** encoded in the information and communication system referred to in Article 22(1).
2. **The person intending to place a product covered by a delegated act adopted pursuant to paragraph 1 of this Article under the customs procedures ‘release for free circulation’ or ‘export’** ~~Customs authorities shall~~ **provide or make available to customs authorities** ~~be provided with information identifying the product, information about the manufacturer or the producer and information about the product suppliers as regards products entering or leaving the Union market that have been identified by the Commission pursuant to paragraph 1, unless the provision of such information is already required pursuant to customs legislation referred to in Article 5(2) of Regulation (EU) No 952/2013.~~

3. The Commission may adopt implementing acts ~~further~~ specifying the detailed ~~s of~~ **arrangements for implementing paragraphs 1 and 2 of this Article, and defining the details of** the information to be **provided or** made available to customs ~~authorities~~ pursuant to paragraph 1.
4. The implementing acts referred to in paragraph 3 shall be adopted in accordance with the examination procedure pursuant to Article 29~~(1)~~**(2)**.
5. Where a specific product has been identified in a decision referred to in Article 6(4), in order for the customs authorities to be able to act immediately **on that specific product**, the procedure provided for in Article 28 shall apply to delegated acts adopted pursuant to **paragraph 1**~~this Article~~.

Article 17

Suspension

Where customs authorities identify, **through their relevant risk management system**, a product entering or leaving the Union market that may, **according to** ~~in accordance with~~ a decision **communicated** ~~received~~ pursuant to Article 15(3), be in violation of Article 3, they shall suspend the release for free circulation or the export of that product. Customs authorities shall immediately notify the relevant competent authorities of the suspension and transmit all relevant information to enable them to establish whether the product is covered by a decision communicated pursuant to Article 15(3).

Article 18

Release for free circulation or export

1. Where the release for free circulation or the export of a product has been suspended in accordance with Article 17, the product shall be released for free circulation or exported where all the other requirements and formalities relating to such a release or export have been fulfilled and where either of the following conditions is satisfied:
 - (a) within 4 working days of the suspension, if the competent authorities have not requested the customs authorities to maintain the suspension. In case of perishable products, animals and plants that time limit shall be 2 working days;
 - (b) the competent authorities informed the customs authorities of their approval for release for free circulation or export pursuant to this Regulation.
2. The release for free circulation or export shall not be deemed proof of compliance with Union law and, in particular, with this Regulation.

Article 19

Refusal to release for free circulation or export

1. Where the competent authorities conclude that a product that has been notified to them in accordance with Article 17 is a product made with forced labour pursuant to a decision referred to in Article 6(4), they shall require customs authorities not to release it for free circulation nor to allow its export.

2. Competent authorities shall immediately enter that information in the information and communication system referred to in Article 22(1) and notify the customs authorities accordingly. Upon such notification, customs authorities shall not allow the release for free circulation or export of that product and shall also include the following notice in the customs data-processing system and, where possible, on the commercial invoice accompanying the product and on any other relevant accompanying document:

'Product made with forced labour - release for free circulation/export not authorised - Regulation (EU) XX/20XX' [OP to indicate reference of this Regulation].

Article 20

~~Measures on products refused for release for free circulation or export~~

- 3.** Where the release for free circulation or export of a product has been refused in accordance with Article 19, customs authorities shall take the necessary measures to ensure that the product concerned is disposed of in accordance with national law consistent with Union law. ~~Articles 197 and 198 of Regulation (EU) No 952/2013 shall apply accordingly.~~
- 4.** Upon request of a competent authority and on behalf [and under the responsibility of] that competent authority, customs authorities may alternatively seize that product and put it at the disposal of and under the authority of that competent authority. In such cases, that competent authority shall take the necessary measures to ensure that the product concerned is disposed of in accordance with Article 8c.

Article 21

Exchange of information and cooperation

1. To enable a risk-based approach for products entering or leaving the Union market and to ensure that controls are effective and performed in accordance with the requirements of this Regulation, competent authorities and customs authorities shall cooperate closely and exchange risk-related information.
2. Cooperation among authorities and exchange of risk information necessary for the fulfilment of their respective functions under this Regulation, including through electronic means, shall take place ~~between the following authorities~~ **in accordance with Regulation (EU) No 952/2013:**
 - (a) **between** customs authorities ~~in accordance with Article 46(5) of Regulation (EU) No 952/2013;~~
 - (b) **between** competent authorities and customs authorities ~~in accordance with Article 47(2) of Regulation (EU) No 952/2013.~~

Chapter IV

Information systems, guidelines and coordinated enforcement

Article 22

Information and communication systems

1. For the purposes of Chapters II and III, competent authorities shall use the information and communication system referred to in Article 34 of Regulation (EU) 2019/1020. The Commission, competent authorities and customs authorities shall have access to that system for the purposes of this Regulation.

2. The decisions communicated pursuant to Article 15(3) shall be entered in the relevant customs risk management environment.
3. The Commission shall develop an interconnection to enable the automated communication of decisions referred to in Article 15(3) from the information and communication system referred to in paragraph 1 to the environment referred to in paragraph 2. That interconnection shall start operating no later than two years from the date of the adoption of the implementing act referred to in paragraph 7, point (b), in respect of that interconnection.
4. Requests and notifications exchanged between competent authorities and customs authorities pursuant to Articles 17 to 20 of this Regulation as well as the ensuing messages shall take place by means of the information and communication system referred to in paragraph 1.
5. The Commission shall interconnect the national single window environments for customs with the information and communication system referred to in paragraph 1 to enable the exchange of requests and notifications between customs and competent authorities pursuant to Articles 17 to 20 of this Regulation. That interconnection shall be provided through [EU CSW-CERTEX pursuant to Regulation ~~XX/20XX~~ **(EU) 2022/2399**]³⁰ within four years from the date of adoption of the implementing act referred to in paragraph 7(c). The exchanges referred to in paragraph 4 shall take place through that interconnection as soon as it is operational.
6. The Commission may extract from the surveillance system referred to in Article 56(1) of Commission Implementing Regulation (EU) 2015/2447 information on products entering or leaving the Union market related to the implementation of this Regulation and transmit it to the information and communication system referred to in paragraph 1.

³⁰ ~~Established by the Regulation on the EU Single Window Environment for Customs (EU SWE-C)~~ **Regulation (EU) 2022/2399 of the European Parliament and of the Council of 23 November 2022 establishing the European Union Single Window Environment for Customs and amending Regulation (EU) No 952/2013, OJ L 317, 9.12.2022, p. 1.**

7. The Commission is empowered to adopt implementing acts in accordance with the examination procedure pursuant to Article 29(2) to specify the procedural rules and the details of the implementation arrangements for this Article, including:
- (a) the functionalities, data elements and data processing, as well as the rules on the processing of personal data, confidentiality and controllership, of the information and communication system referred to in paragraphs 1 and 4;
 - (b) the functionalities, data elements and data processing, as well as the rules on the processing of personal data, confidentiality and controllership for the interconnection referred to in paragraph 3;
 - (c) the data to be transmitted between the information and communication system referred to in paragraph 1 and the national single window environments for customs for the purposes of paragraph 5;
 - (d) the data to be transmitted, as well as the rules on its confidentiality and controllership, in accordance with paragraph 6.

Article 23

Guidelines

- 1.** The Commission, **in consultation with relevant stakeholders**, shall **make available** ~~issue~~ guidelines no later than **[OP enter DATE = 18 months after the entry into force of this Regulation]**, **for competent authorities and economic operators, with a specific focus on SMEs. These guidelines** ~~which~~ shall include the following **elements, adapted as necessary to the relevant addressees:**
- (a) guidance on due diligence in relation to forced labour, which shall take into account applicable Union legislation setting out due diligence requirements with respect to forced labour, guidelines and recommendations from international organisations, as well as the size and economic resources of economic operators, **such guidance should include information and best practices on how to bring to an end to and remediate forced labour;**

- (aa) information on how this Regulation articulates itself with other due diligence legislation, in particular [Directive 20XX/XX/EU of the European Parliament and of the Council on Corporate Sustainability Due Diligence];**
- (ab) guidance for the practical implementation of Article 16 and, where appropriate, any other provision laid down in Chapter III of this Regulation;**
- (b) information on risk indicators of forced labour, which shall be based on independent and verifiable information, including reports from international organisations, in particular the International Labour Organization, civil society, business organisations, **trade unions** and experience from implementing Union legislation setting out due diligence requirements with respect to forced labour;
- (c) **guidance on the use of the database referred to in Article 11 and** a list of publicly available information sources of relevance for the implementation of this Regulation;
- (d) **guidance as to submission of information or evidence pursuant to articles 4(4), 5(3), 6(6), 8(1)** ~~further information to facilitate the competent authorities' implementation of this Regulation;~~
- (e) **guidance on how to submit information pursuant to article 10** ~~guidance for the practical implementation of Article 16 and, where appropriate, any other provision laid down in Chapter III of this Regulation.;~~
- (f) further information to facilitate the competent authorities' implementation of or the economic operator's compliance this Regulation.**

Article 24

Union Network Against Forced Labour Products

1. A Union Network Against Forced Labour Products ('the Network') is established **and led by the Commission through an executive secretariat that provides technical and logistical support to its members**. The Network shall serve as a platform for structured coordination and cooperation between the competent authorities of the Member States and the Commission, and to streamline the practices of enforcement of this Regulation within the Union, thereby making enforcement more effective and coherent.
2. The Network shall be composed of representatives from each Member States', **designated by their** competent authority **or authorities**, representatives from the Commission and, where appropriate, experts from the customs authorities **or other relevant authorities**.
- 2a. **The Commission, through the executive secretariat shall coordinate the work of the network, in particular by chairing the meetings. Where appropriate, external experts and stakeholders may be invited to participate in the meetings.**
3. **Under the leadership of the Commission, the** The Network shall have the following tasks:
 - (a) facilitate the identification of common priorities ~~for enforcement activities, to exchange information, expertise and best practices;~~
 - (b) ~~conduct~~ **facilitate and promote** joint investigations;
 - (c) facilitate **training and** capacity building activities ~~and contribute to uniform risk/based approaches and administrative practices for the implementation of this Regulation in the Member States~~ **for the competent authorities of the Member States;**

(ca) contribute to uniform risk-based approaches and administrative practices for the implementation of this Regulation in the internal market;

(d) contribute to ~~an~~ the development of guidance to ensure the effective and uniform application of this Regulation;

(e) promote and facilitate collaboration to explore possibilities for using new technologies for the enforcement of this Regulation and the traceability of products;

(f) to promote the cooperation and exchange of expertise and best practices between competent authorities and customs authorities;

(fa) improve the functioning of the controls, including through the monitoring of information systems, guidelines and coordinated enforcement referred to in Chapter IV and by providing operational and technical assistance to competent authorities.

(fb) follow-up on the recognition of decisions pursuant to Article 14 by competent authorities of all Member States;

(fc) to promote best practices in the application of penalties provided by article 30.

~~4. The Commission shall support and encourage cooperation between enforcement authorities through the Network and participate in the meetings of the Network.~~

~~5.4.~~ The Network shall establish its rules of procedure.

CHAPTER V

Final provisions

Article 25

Confidentiality

1. The competent authorities shall only use information received pursuant to this Regulation for the purpose of applying this Regulation, **unless otherwise required by EU or national law**.
2. Where requested, the Commission, Member States and competent authorities shall treat the identity of those who provide information, or the information provided, as confidential, **in accordance with EU law or national law**. A request for confidentiality shall be accompanied by a non-confidential summary of the information supplied or by a statement of the reasons why the information cannot be summarised in a non-confidential manner.
3. Paragraph 2 shall not preclude the Commission from disclosing general information in a summary form, provided such general information does not contain any information which allows the identification of the provider of the information. Such disclosure of general information in a summary form shall take into account the legitimate interest of the parties concerned in preventing the disclosure of confidential information.

Article 26

International Cooperation

1. In order to facilitate effective implementation and enforcement of this Regulation, the Commission ~~shall~~ **may** as appropriate cooperate, engage and exchange information with, amongst others, authorities of third countries, international organisations, civil society representatives, **trade unions** and business organisations. ~~International cooperation with authorities of third countries shall take place in a structured way as part of the existing dialogue structures with third countries or, if necessary, specific ones that will be created on an ad hoc basis.~~

- (a) International cooperation with authorities of third countries shall take place in a structured way as part of the existing dialogue structures with third countries or, if necessary, specific ones that will be created on an ad hoc basis.**
- (b) The Commission shall have regular contact and cooperation in particular with countries that have similar legislation in place, to share information of forced labour risk areas or products as well as best practices for bringing to an end forced labour.**

2. For the purposes of paragraph 1, cooperation with, amongst others, international organisations, civil society representatives, business organisations and competent authorities of third countries may result in the Union developing accompanying measures to support the efforts of companies and partner countries ~~efforts~~, and locally available capacities in tackling forced labour.

Article 27

Delegated Acts and Exercise of the Delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 16(1) shall be conferred on the Commission for **five years** ~~an indeterminate period of time~~ from **[OP ENTRY DATE = date of entry force of this Regulation]**. **The Commission shall draw up a report in respect of the delegation of power not later than nine months before the end of the five-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such extension not later than three months before the end of each period.**
3. The delegation of power referred to in Article 16(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016³¹.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

³¹ Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making (OJ L 123, 12.5.2016, p. 1)

6. A delegated act adopted pursuant to Article 16(1) shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 28

Urgency procedure

1. Delegated acts adopted under this Article shall enter into force without delay and shall apply as long as no objection is expressed in accordance with paragraph 2. The notification of a delegated act to the European Parliament and to the Council shall state the reasons for the use of the urgency procedure.
2. Either the European Parliament or the Council may object to a delegated act in accordance with the procedure referred to in Article 27 (6). In such a case, the Commission shall repeal the act immediately following the notification of the decision to object by the European Parliament or by the Council.

Article 29

Committee procedure

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of ~~Article 3(2)~~ of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 30

Penalties

1. ~~The~~ Member States shall lay down the rules on penalties applicable to non-compliance with a decision referred to in Article 6(4) and shall take all measures necessary to ensure that they are implemented in accordance with national law.
 2. The penalties provided for shall be effective, proportionate and dissuasive. **Competent authorities shall ensure that the penalties referred to in paragraph 1 give due regard to the following, as applicable:**
 - (a) the gravity and duration of the infringement;**
 - (b) any relevant previous infringements by the economic operator;**
 - (c) the degree of cooperation with the competent authorities;**
 - (d) any other mitigating or aggravating factor applicable to the circumstances of the case, such as financial benefits gains, or losses avoided, directly or indirectly, from the infringement.**
- 2a. The pecuniary penalties provided by this article shall amount to not less than [X%] and not more than [Y%] of the economic operator'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 (24)**
- 2b. The sums recovered by competent authorities through penalties contemplated in this article may be dedicated by the Member States to remediate the consequences of forced labour, according to EU and national legislation.**

3. ~~The Member States shall, by [OP enter DATE = 24 months from entry into force of this Regulation], notify these provisions to the Commission~~ **of those rules and of those measures,** ~~where they have not previously been notified,~~ and shall notify it, without delay, of any subsequent amendment affecting them.

Article 30a

Review

By 5 years after the start of the application of this Regulation and every 5 years thereafter, the Commission shall carry out an evaluation of the enforcement and the implementation of the Regulation. The Commission shall present a report on the main findings to the European Parliament and the Council. The evaluation shall in particular include an assessment of whether a centralised approach for the enforcement of the Regulation, either by the Commission or by a dedicated agency, shall be considered. Where the Commission finds it appropriate, the report shall be accompanied by a legislative proposal for amendment of the relevant provisions of this Regulation or an update of the guidelines referred to Article 23.

Article 31

Entry into force and date of application

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

This Regulation shall apply from [OP enter DATE = **36** ~~24~~ months from its entry into force].

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President
