EUROPEAN PANEL FEDERATION
WOOD-BASED PANELS

European Commission
DG.ENV.F.1

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EPF Feedback on the EUDR FAQs and Guidance

1) Overarching objective: simplification must be real, legally coherent, and implementable

1. The amended EUDR is welcomed for its **potential simplifications**, especially for downstream operators, but these simplifications will not materialise without **very clear operational guidance in the FAQs and Guidance**.
2. **Predictability and regulatory stability** are essential. If the Commission's simplification review leads to major changes close to application, companies and supply chains will not have sufficient time to implement processes, IT, and training. Any changes that increase responsibilities late in the process would jeopardise compliance.
3. Several provisions as currently interpreted would create **de facto due diligence duties for large downstream operators**, contradicting the intent of the amendment (burden reduction). FAQs and Guidance must prevent this.

EPF request for FAQs and Guidance: Provide clear, unambiguous operational interpretations that ensure downstream simplifications are practical, and avoid pushing companies into unnecessary batch level allocation, re creation of DDS, or systematic upstream verification.

2) Definitions and roles: operator, downstream operator, first downstream operator, trader, primary operator

2.1 Definition of "downstream operator" and practical feasibility

- There is uncertainty on how an actor can assess whether an input is already covered by a DDS or simplified declaration, especially when the actor is not the first downstream operator or does not receive a reference number.
- EPF supports clarifying in FAQs that downstream operators are **not obliged to investigate upstream compliance** and should benefit from a **rebuttable presumption** of compliance when purchasing relevant products on the EU market from registered EU operators.

Proposed FAQ direction: "Downstream operators are not required to investigate whether upstream operators complied with EUDR. They may rely on the information received from suppliers unless substantiated concerns arise."

2.2 Identifying "primary operators" and avoiding reverse burden on downstream actors

- Article 5(3a) logic requires downstream operators to collect reference numbers only where the supplier is a **primary operator**. Downstream operators need **binding information** from suppliers on whether they are primary operators. It should not be the downstream operator's responsibility to determine that status via checks.
- Downstream operators must also not be forced to verify whether a primary operator is micro or small.

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Requested clarification in FAQs and Guidance: The supplier must declare its status (primary operator or not, and where relevant micro or small status), and remains responsible for accuracy. Downstream operators can rely on this declaration absent substantiated concerns.

2.3 Clarifying "first operator" scenarios (standing timber, own harvests, loggers, imports)

- Practical examples are needed to clarify typical supply chain cases:
  - buying standing trees and contracting a logger (company acts as first operator for its own sales, DDS needed)
  - buying logs from logging companies (company is first downstream operator and collects supplier DDS codes)
  - importing veneer or papers (role allocation and what must be transmitted further down the chain)

Requested addition to FAQs: Step by step role determination examples for forest owners, harvesting companies, sawmills, panels producers, and converters, including import scenarios.

3) Information obligations for downstream operators: what must be collected and stored, and at what granularity

3.1 General collection of identifiers without allocation to manufactured products

- EPF strongly supports clarifying that reference numbers, identification numbers, and supplier information collected under Article 5(3) should be **collected in general terms**, and **not directly assigned** to specific manufactured products or batches by downstream operators.
- Requiring batch level allocation would force complex internal bulk material allocation systems and would contradict simplification, especially because creating DDS for summarisation in the information system is no longer possible for downstream operators.

Requested FAQ wording: "Downstream operators are not required to allocate supplier reference numbers to output products on a batch basis. They must be able to retrieve and provide the relevant information upon request."

3.2 What "collect" means (definition and operational approach)

- "Collect" is undefined and could be interpreted as requiring systematic data capture upon receipt of goods. EPF requests clarification that "collecting" does not require any specific database, and that retrieval within a reasonable period is sufficient.
- Mandatory systematic registration would trigger costly IT investments without added value, since downstream operators do not verify identifiers absent substantiated concerns.

Requested FAQ wording: "Collecting does not require real time registration upon receipt; it requires the ability to retrieve and compile information within a reasonable time following a request from authorities or substantiated concerns."

3.3 Archiving obligations for non SME downstream operators

- Clarify which documents non SME downstream operators must archive.
- Clarify documentation needed when a downstream operator creates a DDS on behalf of a supplier, and provide an example set of documents.

Requested additions:

- A clear list of minimum records for downstream operators and traders.
- A template “evidence pack” for authorised representative scenarios.

4) Reference numbers, declaration identifiers, and transmission down the chain

4.1 Added value of forcing first downstream operators to collect reference numbers

- EPF questions the added value of requiring first downstream operators to collect reference numbers or declaration identifiers when they have no due diligence duty and no duty to verify those identifiers. This creates unfair dependency on upstream compliance and may effectively force IT controls.
- EPF requests the Commission to reconsider this requirement, or at minimum to clarify that downstream operators are not accountable for upstream failures.

4.2 Practical rule on where reference numbers must appear

- If collection remains required, EPF supports a clear rule that operators must provide reference numbers in a single predictable location (for example on invoices) to avoid a logistical nightmare where numbers are scattered across documents.

Requested FAQ clarification: “Reference numbers or declaration identifiers must be communicated on the invoice (or a single harmonised document type).”

4.3 What to provide further down the supply chain

- Clarify what a downstream operator must provide to customers: none, only those where it was first operator, or all, and whether it includes security codes.

Requested FAQ addition:

- A clear answer distinguishing:
  - information duties when the company was first operator (DDS created)
  - information duties when the company was downstream (no DDS)
  - what must be shared with buyers and what is merely retained for authorities

5) Micro and small primary operators: simplified declaration regime and practical support

5.1 Need for practical guidance and real life examples

- Micro and small primary operators will often be sole traders who struggle with administration. Clear, visual guidance and real examples are needed.
- Open questions include: whether harvesting and growing are cumulative conditions, and how to treat cases where trees are harvested on land not owned by the harvester.

5.2 Reassessment frequency and “major changes”

- Clarify how often micro and small primary operators should reassess their status, with a suggestion to limit it to periodic review (for example every five years).
- Clarify that Article 4a language (“may update”) does not create an obligation, and define “major changes” in a closed list to avoid uncertainty.

5.3 Who verifies micro or small status

- Downstream operators must not be held responsible for assessing whether suppliers qualify as micro or small primary operators and should be allowed to rely on supplier statements.

- Practical issue: how to prove a company is small or micro where annual reports are not public. Is supplier declaration sufficient? This needs a clear FAQ answer.

5.4 Helpdesk and authorised representative

- Establish a point of contact or helpdesk in every Member State to support micro and small primary operators with TRACES and administrative tasks, potentially acting as authorised representative.
- Clarify that when natural persons or microenterprises invoke Article 6(3), the next downstream operator is not obliged to act as authorised representative, only voluntarily. If not willing, the supplier should be able to use a Member State helpdesk as authorised representative.

5.5 Simplified declaration as sufficient

- A proposal is made that the simplified declaration of micro and small companies should be sufficient as a DDS for practical purposes.
- Clarify whether the simplified declaration includes a reference and verification number.

6) "Substantiated concerns", "relevant new information", and downstream verification duties

6.1 Definitions must be clear and objective

- There is a strong need for definitions of:
  - "substantiated concerns"
  - "relevant new information"
- Without clarity, verification duties become subjective and legally uncertain.

6.2 Limiting substantiated concerns to credible third party triggers

- EPF supports clarifying that downstream concerns arise from external credible third party sources (complaints, official communications, notifications, credible public information recognised by stakeholders), and do not imply systematic risk assessments by downstream actors.

6.3 What downstream operators must do when concerns arise

- In case substantiated concerns arise, clarify what information can be requested from suppliers, how far verification must go, and what happens if concerns cannot be resolved (refrain from placing on market until clarified).
- A practical problem remains: downstream operators may have no access to origin information because they are not required to collect it. Guidance must reconcile this.

6.4 Article 5(6) verification obligation for non SME downstream operators

- EPF highlights that requiring non SME downstream operators to verify upstream due diligence in case of substantiated concerns effectively forces them to maintain due diligence systems even when formally exempt. This is inconsistent with simplification objectives. **Proposal:** eliminate the verification obligation.
- Clarify whether a downstream operator must verify the compliance of DDS numbers collected from suppliers, and define responsibility if products are later found linked to deforestation.

- A practical mitigation suggested is contractual clauses whereby suppliers warrant due diligence was carried out, but FAQs should clarify whether this is sufficient.

7) Liability, corrective actions, and penalties: special concern for SMEs and downstream actors

7.1 Risk that simplification is undermined by penalties

- SMEs downstream operators may still face penalties including confiscation of revenues and products, which undermines the intended simplification if they have no due diligence or verification duties.

7.2 Clarify Article 24.3 (shortcomings in the due diligence system)

- Article 24.3 appears to imply that even SME downstream operators must address shortcomings in "the due diligence system" despite not having due diligence obligations. This needs a clear interpretation.

Requested clarification: Define what "shortcomings" and "due diligence system" mean for operators with only basic traceability duties, and ensure no hidden due diligence obligation is imposed on SMEs or downstream actors.

8) Imports, exports, re-imports: preventing re creation of DDS and avoiding impossible obligations

8.1 Re-imports into the EU

- Re-import scenario: relevant products placed on the EU market, exported, transformed outside the EU, then re-imported (for example EU wood-based panels in furniture). The proposal is that an EU certificate of origin should be sufficient because downstream panel producers do not have reference numbers or geolocation to pass on.
- Another proposed FAQ solution: no reference number needs to be provided to customs upon re-import of products previously placed on the EU market, but the re-importer must demonstrate EU origin through standard documentation.

8.2 Imports by downstream operators inside the EU (role duality)

- If a downstream operator imports a relevant product from a non EU country (for example paper used for coating wood-based panels), does it become an operator required to submit DDS and pass the reference number to its own products and customers? This would contradict simplification and create dual roles in TRACES (operator and downstream).
- Suggested approach: a practical, unbureaucratic solution, for example requiring DDS submission exclusively by non EU suppliers, to avoid turning downstream actors into operators for necessary inputs.

8.3 Exports

- Clarify interpretation that no DDS is needed for exports by a downstream operator, while exports by first operators still require DDS (for example export of logs requires DDS, export of wooden panels exempt). Clarify what must be indicated on customs declarations.

9) Geolocation: scope, feasibility, and non forest areas

- Clarify treatment of logs from areas not defined as forest (trees along rivers, roads).

- Clarify geolocation requirements after the amendment: whether geolocation must cover all plots of origin for the wood used in the final product (potentially dozens of polygons) or whether geolocation of the production site would ever be acceptable.
- Address concerns about publishing sensitive personal and commercial information and geolocation data.

10) Information system (TRACES): stability, validation, data quality, language

10.1 System stability and downtime

- Persistent issues with stability are reported. Clarify how validation of DDS codes should work when the system is down.
- Proposal: a six month “sharp test” period (July to December 2026) to test stability under full load with no audits and penalties during that period.

10.2 Data quality and identity controls

- How does TRACES check correctness of company data? Users have found companies in the system that do not exist. How is it controlled that a company is created by an authorised representative?
- Testing database limitation: it was not possible to create DDS on behalf of another entity. Clarify whether and how this should work.

10.3 Language and usability

- Not all interface elements and error messages appear translated; mixed language screens create barriers, especially for small forest owners. Clarify whether full translation is planned.

11) Scope of products: paper and decorative paper (HS 4811), consistency after amendment

- The amendment removed certain printed paper products (ex 49) from Annex I, suggesting a reassessment of other paper based categories is appropriate.
- Decorative paper (HS 4811), heavily used by the wood-based panels sector, creates significant administrative burden despite similar risk profile and volume to removed categories. Excluding it would reduce unnecessary complexity without undermining objectives, and avoid perceptions of uneven treatment.

Requested action: FAQs and Guidance should clarify scope boundaries and the Commission should reassess whether decorative paper should remain covered.

12) Transition and application dates: alignment and feasibility

- Questions raised about application dates for micro and small companies and whether postponement applies to micro and small companies created after 2024.
- Proposal: one application date for all sizes (suggested 30 June 2027) because the system only works when data exists for all wood entering the chain.

13) EU-only supply chains: proposal for a single DDS at the start of the chain

Where wood and relevant products do not cross EU borders, the due diligence statement should be submitted only by the first entity placing the product on the EU market, typically forest owners or harvesting companies supplying logs. In such cases, processed products manufactured from

those logs (e.g. boards, pallets, plywood, wood-based panels) should not require a new DDS. Instead, it should be sufficient for these products to be accompanied by a statement of EUDR compliance, following a logic comparable to existing chain-of-custody approaches (e.g. PEFC-type statements). This would significantly reduce unnecessary duplication of DDS in purely intra-EU value chains without undermining the objectives of the Regulation.

14) First downstream operators: structural unfairness and forced IT controls

The current obligation for first downstream operators to collect reference numbers creates a situation of de facto accountability for upstream non-compliance, despite the absence of any due diligence obligation. If an upstream operator fails to provide reference numbers, first downstream operators are financially prevented from placing products on the market, even though they are not responsible for upstream due diligence. In practice, the only way to mitigate this risk would be to implement automated IT control systems verifying reference numbers upon receipt of goods, which would entail significant investment costs and directly contradict the objective of burden reduction under the amended EUDR. This structural flaw should be explicitly addressed in the FAQs and Guidance.

15) Role classification for mixed and integrated businesses

There is a clear need for practical role-classification guidance for companies operating mixed activities, such as sawmills that also produce boards, pallets, plywood or other processed wood products. Clarification is required on whether such companies qualify as non-SME downstream operators, and what this qualification implies in practice in terms of obligations, record-keeping and liability. FAQs should include clear, practical examples covering typical wood-based value-chain profiles (forest owner, logger, sawmill, pallet producer, plywood producer, panels manufacturer, converter), to ensure consistent interpretation across Member States.

16) Clarification of postponement rules for newly created micro and small companies

In addition to general questions on phased application dates, there is a need to clarify whether the postponement of application for micro and small companies also applies to entities created after 2024. Without clarification, newly established micro and small operators face legal uncertainty as to whether they benefit from transitional arrangements. This point should be explicitly addressed in the FAQs to ensure equal treatment and legal certainty.

EPF summary of cross cutting key asks for FAQs and Guidance

1. **Confirm downstream simplification**: no batch level allocation of reference numbers to finished products and no hidden due diligence duty.
2. **Clarify roles and reliance**: downstream operators can rely on supplier declarations on status and compliance absent substantiated concerns; consider rebuttable presumption for EU purchases.
3. **Define substantiated concerns and verification**: objective triggers, clear scope of actions, and remove or narrow Article 5(6) verification so it does not recreate due diligence for large downstream actors.
4. **Fix TRACES usability and governance**: stability, downtime procedures, identity controls, creation of DDS on behalf, and full language coverage.
5. **Resolve special scenarios**: re-imports, exports, and EU downstream imports without forcing DDS creation and role duality.

6. **Support micro and small operators**: practical examples, helpdesks, clear proof of status, and predictable update rules.
7. **Reassess paper scope**: decorative paper HS 4811 should be reviewed for proportionality and consistency after removal of printed paper products.
8. **Enable single-DDS logic for EU-only supply chains**: where no border crossing occurs, DDS should be required only at the start of the chain, with downstream products covered by a compliance statement.
9. **Correct structural imbalance for first downstream operators**: avoid forcing IT-heavy reference-number controls that recreate due diligence obligations through the back door.

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