Cepi RENEWABLE RECYCLED RESPONSIBLE EUROPEAN

Brussels, 12 October 2026

CEPI GUIDANCE ON THE REVISED EU DEFORESTATION REGULATION

– (EU)1115/2023

Disclaimer:

This Guidance document does not have any legal value; its purpose is to provide information on certain aspects of the EUDR based on the understanding and common practices of the European pulp and paper industry. This document should not be considered in isolation; it must be used in conjunction with the legislation and the official Guidance document[1] and FAQs of the European Commission. In December 2025, several targeted amendments to the EUDR were adopted (amending Regulation (EU) 2025/2650). The consolidated amended Regulation can be found in all EU languages here: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02023R1115-20251226.

This Cepi Guidance was updated in summer 2026 to reflect the amendments made to the Regulation in December 2025 (Regulation (EU) 2025/2650) and the clarifications and secondary legislation introduced through the Commission's May 2026 simplification package.

[1] ANNEX to the Communication to the Commission Approval of the updated content of a draft Commission Notice on the Guidance Document for Regulation (EU) 2023/1115 on Deforestation-Free Products (C/2024/6789). C (2025) 2485 final.

Contents

1) Introduction 3
2) Objective of the Regulation and general obligations for operators and traders 3
3) Product scope 3
   3.1. Clarification on recovered and recycled material 4
   3.2. Clarification on packaging 4
   3.3. Other relevant exemptions 5
4) Relevant definitions 5
   4.1. Deforestation and forest degradation 5
   4.2. Legality 6
   4.3. General definitions of operators and traders 7
   4.4. Change of roles and HS code 8
5) Performing due diligence 8
6) Determining the company's role under EUDR based on the size and position in the value chain 9
   6.1. General definition of the operator 9
   6.2. Micro or small primary operator (MSPO) 10
   6.3. Downstream operators 10
   6.4. Trader 10
   6.5 Grouping of DDSs in the Information System 11
   6.6. Multiple roles 11
   6.7. Company groups 11
7) Importing by non-EU companies, re-importing, and exporting procedure 12
   7.1. Importing by non-EU companies 12
   7.2. Re-importing into the EU 12
   7.3. Exporting procedures 13
   7.4. Customs procedures and TARIC codes (import/export) 13
8) Substantiated concerns and other evidence of non-compliance 14
9) Obligations based on company's role 15
   CASE 1: Operator placing for the first time the commodity or relevant product on the EU market 16
   CASE 2: Non-SME downstream operator and non-SME trader 16
   CASE 3: SME downstream operator 17
   CASE 4: MSPO in low-risk country placing wood on the market for the first time 17
   CASE 5: Company has multiple roles 18
   CASE 6: Company is reimporting products into the EU 20
   CASE 7: Demonstrating the HS code change 21
   CASE 8: Substantiated concern 21
10) Ascertaining the due diligence of the supplier 22
11) Country benchmarking 22
12) Frequency of DDS submission for first operators 23
13) Communicating reference numbers via CSV Files 24
14) Entry into application and transitional period 24

1) Introduction

This document is an updated version of the Cepi EUDR Guidance published in June 2025. The binding legal changes to the EUDR were introduced by Regulation (EU) 2025/2650 in December 2025. In May 2026, the Commission published a simplification package, comprising a report to the Parliament and Council, an updated Guidance document and FAQ, and a draft Delegated Act on the product scope of the Regulation (Delegated Regulation was published on 13 July and is, at the time of writing, under the scrutiny process). This document brings together the relevant updates from these publications, using the original Cepi Guidance as the basis.

This document has been developed by Cepi with the aim to present the common understanding of the pulp and paper industry of EUDR obligations and to present guidance on implementing the Regulation across the pulp and paper value chain. The document has therefore no legal value and does not cover all aspects related to EUDR implementation.

This document focuses on selected issues relevant to the industry. Therefore, it should not be read in isolation, but in conjunction with the text in the Regulation[2], as well as the Commission's Guidance Document[3], and FAQs, which, at the time of writing, are in their 5th iteration, dated April 2026 and published by the Commission on 21 August 2026[4] (hereinafter "FAQs")[5]. Secondary legislation (Delegated act amending the Annex I of the Regulation[6] and Implementing Regulation on the IT system[7]) were published on 13 July 2026.

2) Objective of the Regulation and general obligations for operators and traders

The Regulation applies to companies that place relevant products on the EU market or export them from the EU market and to companies that trade ("make available") relevant products on the EU market (Article 1.1). The EUDR covers seven commodities and some of their derived products, including wood.

According to Article 3, relevant commodities and relevant products shall not be placed or made available on the market or exported, unless all the following conditions are fulfilled:

(a) they are **deforestation-free**.
(b) they have been produced in accordance with the **relevant legislation of the country of production**; and
(c) they are covered by a **or simplified declaration**.

Due diligence statements (hereinafter "DDS") are created and submitted online via a dedicated platform, the EUDR Information System, TRACES.[8]

3) Product scope

Relevant products in scope of the Regulation are listed in Annex I of the Regulation. They include all products of chapter 44 (wood), and chapters 47 (pulp) and 48 (paper) of the Combined Nomenclature, except for bamboo-based and recovered and recycled (waste and scrap) products, certain packaging and samples, and items of correspondence.[9] Printed products of chapter 49 (e.g. printed books, newspapers, pictures and other products of the printing industry) were removed from Annex I by Regulation (EU) 2025/2650 and are therefore not in scope. Commission Delegated Act introduced some clarifications to the product scope on 13 July 2026.

[2] Available in all EU languages here.
[3] Commission Notice: Guidance Document for Regulation (EU) 2023/1115 on Deforestation-Free Products. (C (2026) 4972). Available here. (Update published 13 July 2026)
[4] Together with the language versions published on 21 August 2026, the Commission presented a targeted corrigendum, which updated the FAQs 3.1.1. and 3.7., which will be explored later in this document. Additionally, it included clarification to the headings of the FAQs 4.9. and 3.4.
[5] FAQs, 5th edition, 21 August 2026. Available here.
[6] Commission Delegated Regulation on the EUDR product scope (Annex 1), 13 July 2026. Available here.
[7] Commission Implementing Regulation (EU) 2026/1565 on the functioning of the EUDR Information System. Available here.
[8] For more information about TRACES, including the user manual and access link, please consult the Commission's dedicated webpage. Available here.
[9] See Commission Delegated Act ,13 July 2026, for the full list of pulp and paper products outside of the scope of the Regulation.

Products outside those customs codes are exempted from the Regulation's requirements. For example, importing fluff pulp would be subject to the Regulation's obligations; converting pulp into products falling into code 9619 (sanitary towels and tampons, diapers, napkin liners) and placing them on the EU or exporting them does not fall in the scope of the Regulation; placing on the market or exporting products of code 4818 (e.g. toilet paper, cleaning tissues, etc.) does fall in the scope and is subject to the Regulation's obligations.

3.1. Clarification on recovered and recycled material

Operators and traders must comply with EUDR obligations for all the products they place or make available on the market, except for recovered and recycled material. Annex I on the scope of relevant commodities reads as follows:

''*Except for by-products of a manufacturing process, where that process involved material that was not waste as defined in Article 3, point (1), of Directive 2008/98/EC, this Regulation does not apply to goods if they are produced entirely from material that has completed its lifecycle and would otherwise have been discarded as waste as defined in Article 3, point (1), of that Directive.*''

Annex I of the Regulation, amendments and clarification introduced with the Delegated Act in July 2026, plus the Commission **FAQ 2.8** make clear that for both post- and pre-consumer waste material the obligations of the Regulation do not apply. Specifically for pulp and paper, any ''recovered (waste and scrap) products'' are explicitly excluded from the scope of the Regulation, as well as bamboo-based products.

This is the case for paper for recycling discarded at households and supermarkets, but also for off cuts from printshops or shavings from converting plants. Printers' waste or converting scrap has completed its lifecycle and would otherwise have been discarded as waste.

This applies to scraps that are repulped in the same mill or sent to another mill specialised in recycling.

However, <u>if the product contains non-recycled material, it is subject to the requirements of the Regulation,</u> and the non-recycled material will need to be traced back to the plot of origin via geolocation by the operator first placing such material or its components on the market. Annex I also clarifies that generally; by-products of a manufacturing process are subject to the Regulation. In the case of paper/paperboard which constitutes a recovered (waste and scrap) product, such paper and paperboard is exempt from the scope, according to Annex I (see chapters 47 and 48 of the Combined Nomenclature).

3.2. Clarification on packaging

The Commission Guidance Document (chapter 7a, page 21) reiterates that packing material and containers used exclusively to support, protect or carry another product made available on the market or exported and presented with that product are not covered by the EUDR when they are used for that purpose.

If any of the above articles are placed on the market or exported as products, rather than as packing for another product, they are covered by the Regulation and therefore the obligations set out in the EUDR apply.

Within these categories, there is a further distinction between 'single use' packaging and packing material and packing containers clearly suitable for repetitive use. Both are excluded from EUDR scope on the above condition (that they are ''used exclusively to support, protect or carry another product made available on the market or exported and presented with that product'') with the further specification that for ''repetitive use packaging'' the exclusion counts ''from the moment they are used for such purpose and onwards. For example, pallets would not be covered by the EUDR if they are made available again on the market or exported after having been used to support, protect, or carry another product''. See also **FAQ 2.6.**

In summary, the following is subject to the Regulation:

- Packing material or packing containers placed or made available on the market or exported as products in their own right;
- Containers which give a product its essential character.

The following is not subject to the Regulation:

- Single use packing material and packing containers presented with goods and used exclusively to support, protect or carry another product;
- Packing materials and packing containers clearly suitable for repetitive use presented with goods and used exclusively to support, protect or carry another product, from the moment they are used for such purpose and onwards.

If packing material, as classified under HS code 4819, is presented with goods inside and is used to "support, protect or carry" another product, it is not covered by the Regulation.

See also **FAQ 2.5**:
"Packaging materials used exclusively as packaging material to support, protect or carry another product placed on the EU market are not a relevant product within the meaning of Annex I of the Regulation, regardless of the HS code under which they fall. Whether the packaging material is listed on the invoice alongside the carried product is irrelevant; it is rather decisive whether the packaging would be classified jointly or separately in an import or export scenario (see rule 5b) of the General Rules for the Interpretation of the Combined Nomenclature). According to rule 5b), packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. Where packaging is or would be classified jointly with the carried product, it can be considered to be used exclusively as packaging material to support, protect or carry another product placed or made available on the EU market or exported from it."

In concrete terms, a company manufacturing or selling packaging products under HS code 4819 and placing them on the market in their own right (that is, as empty packaging) is within the scope of the Regulation as an operator, a downstream operator or a trader. Their obligations depend on the position in the value chain or the size of the company (see chapter 6 of this Guidance).

Companies that buy packaging to "support, protect or carry" their products, are not subject to the obligations of the Regulation, unless the product they place on the market is in scope. For example, a company placing for the first time on the market a chocolate bar in paper packaging is responsible for the due diligence on the cocoa, not on the paper packaging. This also means that a brand owner buying packaging for its own product should not ask the packaging manufacturer for the reference numbers of their DDSs, nor is the packaging producer obliged to provide them such information.

It is worth noting that in the case where a brand owner buys empty packaging from outside the EU to fill it with its products, it will be considered a first importer, and therefore an operator. In this case, the brand owner will have to comply with the obligations of scenario 1 of chapter 5 of this Cepi Guidance.

3.3. Other relevant exemptions

Written letters and other items of correspondence, and samples sent for testing, analysing or for commercial purposes are excluded from the scope of the Regulation. See **FAQ 2.13** and **2.14**, in addition to the Delegated Act published on 13 July 2026.

4) Relevant definitions

4.1. Deforestation and forest degradation

The definition of deforestation is: "conversion of forest to agricultural use, whether human-induced or not". (Article 2.3). For more information on the definition of "agricultural use", please consult the Commission Guidance, chapter 11, page 26 and the following.

Forest degradation is defined as "structural changes to forest cover, taking the form of the conversion of primary forests or naturally regenerating forests into plantation forests or into other wooded land and the conversion of primary forests into planted forests" (Article 2.7). The definitions (Article 2.8-12) are largely based on FAO Terms and References:

Primary forest	Naturally regenerated forest of native tree species, where there are no clearly visible indications of human activities and the ecological processes are not significantly disturbed. (Article 2.8)
Naturally regenerating forest	Forest predominantly composed of trees established through natural regeneration; it includes forests for which it is not possible to distinguish whether planted or naturally regenerated; forests with a mix of naturally regenerated native tree species and planted or seeded trees, and where the naturally regenerated trees are expected to constitute the major part of the growing stock at stand maturity; coppice from trees originally established through natural regeneration; and it includes naturally regenerated trees of introduced species (Article 2.9.)
Planted forest	Forest predominantly composed of trees established through planting and/or deliberate seeding provided that the planted or seeded trees are expected to constitute more than 50% of the growing stock at maturity; it includes coppice from trees that were originally planted or seeded (Article 2.10)
Plantation forest	Planted forest that is intensively managed and meets, at planting and stand maturity, all the following criteria: one or two species, even age class, and regular spacing. It includes short rotation plantations for wood, fibre and energy, and excludes forests planted for protection or ecosystem restoration, as well as forests established through planting or seeding which at stand maturity resemble or will resemble naturally regenerating forests. (Article 2.11)
Other wooded land	Land not classified as 'forest' spanning more than 0,5 hectares with trees higher than 5 metres and a canopy cover of 5 to 10%, or trees able to reach these thresholds in situ, or with a combined cover of shrubs, bushes and trees above 10%, excluding land that is predominantly under agricultural or urban land use. (Article 2.12)

For more information on how to ascertain that no degradation was carried out, please refer to FAQs 4.5, 4.6, 4.7, 4.8, 4.9. On the liability of operators (e.g. pulp or paper manufacturers) for forest degradation that happens after the submission of the DDS, see FAQ 4.8:

''The relevant products would not be compliant with the Regulation if they were sourced from an area where harvesting activities induced forest degradation in the period prior to submitting a due diligence statement.

In submitting the due diligence statement, an operator assumes responsibility for the due diligence process and the compliance of the relevant products with Article 3 a) and b). In this process the operator should take into account all relevant information and data, including for the risk factors set out in Article 10.

A breach of the due diligence obligations could be found, for example, if the risk assessment part of the due diligence has not been properly conducted, because relevant information or specified criteria were overlooked, including post-harvesting plans for the plot of land.

Where the due diligence was found not to have been properly conducted, any downstream operators or traders would not be able to rely on an existing due diligence statement for the relevant products.

In contrast, where due diligence was properly exercised at the time, and the relevant products were compliant when they were placed on the market, the compliant status of the relevant products – and those of derived products – will not change based on events that occur after a product has been placed on the market (or exported) that could not have been identified as a potential risk at the time of submitting a due diligence statement. Nor will this affect the compliance status of the operator.''

4.2. Legality

The obligation to ensure the legality of the wood was the basic tenet of the EU Timber Regulation. This is still the case, although the concept of ''relevant legislation of the country of production'' has been expanded, see comparison table below (Article 2.40). For more information about legality, please consult the Commission Guidance, chapter 6, page 13-21.

In addition, the Commission plans to establish by December 2026 a repository of relevant legislation allowing countries of production to provide a list of relevant legislation as per Article 2(40). Operators may use the repository to assist in meeting the information requirements under Article 9(1).

Definition of "relevant legislation of the country of production"

EU Timber Regulation	EU Deforestation Regulation
rights to harvest timber within legally gazetted boundaries	land use rights
payments for harvest rights and timber including duties related to timber harvesting	environmental protection
timber harvesting, including environmental and forest legislation including forest management and biodiversity conservation, where directly related to timber harvesting	forest-related Regulations including forest management and biodiversity conservation, where directly related to wood harvesting
third parties' legal rights concerning use and tenure that are affected by timber harvesting	third parties' rights
trade and customs, in so far as the forest sector is concerned	labour rights
	human rights protected under international law
	the principle of free, prior and informed consent, including as set out in the United Nations Declaration on the Rights of Indigenous Peoples
	tax, anti-corruption, trade and customs Regulations

4.3. General definitions of operators and traders

Operator	Under Article 2(15), an operator is a natural or legal person who places relevant products on the market or exports them, in the course of a commercial activity, and is not a downstream operator.
Trader	Under Article 2(17), a trader is any person in the supply chain other than the operator or downstream operator who makes relevant products available on the market, in the course of a commercial activity.
Downstream operator	Under Article 2(15b), a downstream operator is a natural or legal person, who places on the market or exports relevant products made using relevant products; all of which are covered by a DDS or by a simplified declaration, in the course of a commercial activity. For first downstream and further downstream obligations, see chapter 6.3. of this Guidance.
Placing on the market	Under Article 2(16), a relevant commodity or relevant product is 'placed on the market' if it is made available on the Union market for the first time. The concept of 'placing on the market' refers to each individual relevant commodity or product, not to a type of product, irrespective of whether it was manufactured as an individual unit or a series.
Making available on the market	Under Article 2(18), "making available on the market" means any supply of a relevant 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.
In the course of commercial a ctivity	Under Article 2.19, "in the course of a commercial activity" means for the purpose of processing, for distribution to commercial or non-commercial consumers, or for use in the business of the operator or trader itself.

4.4. Change of roles and HS code

Updated FAQ 3.1.1. (21 August 2026) clarifies that any change in the Commodity Code (HS, CN or TARIC) as set out in the Combined Nomenclature (Annex I to Council Regulation (EEC) No 2658/87[10]) of a product already placed on the market results in a company placing a derived product on the market being **a downstream operator.** For instance, a change from logs (4403) to sawn wood (4407), activates the downstream operator role, because the HS code changes. Similarly, a company that would produce paper (48) out of pulp (47), would be considered a downstream operator for the paper it places on the market. (**See FAQ 3.1.1. EC EUDR Infographics**)

If a company were to merely resell the logs or the pulp that it bought from another company, without transforming the product in a way that changes the HS code, the company would classify as a trader (which has identical obligations as a downstream operator).

If a company were to import paper (HS 48) and convert it into tissue or another relevant commodity (HS 48, but only a change in the latter digits), it would be able to operate in the role of a first downstream operator when selling the tissue. The first downstream operator does not have to practise due diligence, submit a DDS or pass the DDS on to its clients, but only collect the DDS handed to it from upstream and keep the information for five years.

Operators, downstream operators, and traders have different obligations, depending on the size of the company (see section 5 of this Guidance). It is important to note that a company may have different roles at the same time. For example, it may import wood from outside the EU and buy it on the domestic market to produce and sell pulpage. The company will be an operator when it imports wood from outside the EU and a downstream operator when it buys wood already on the EU market to produce pulpage **(See FAQ 3.8.)**

5) Performing due diligence

Under the revised EUDR, the operators are obliged to practise due diligence when placing a relevant product on the market (including imports) or exporting it. If the full due diligence has to be performed, the company must:

1. Collect information
2. Assess the risk
3. Mitigate the risk until negligible
4. Submit the DDS in TRACES

The obligation to exercise due diligence falls on operators. Under the Regulation, ''operators placing covered products on the EU market or exporting them'' must ''collect geographic coordinates of the plots of land where the commodities were produced,'' and ''this does not apply to downstream operators'' (FAQ 1.1). Downstream operators and traders instead ''are obliged to collect and keep information about their direct business partners'' (FAQ 3.4).

- As step one, operators must collect the information referred to in Article 9 EUDR, such as the commodity or product which they intend to place on the EU market or export, including under customs procedures 'release for free circulation' and 'export', as well as the respective quantity, direct supplier and direct commercial client, country of production, evidence of legal harvest, among others, including the geographic coordinates of the plots of land where the relevant commodity was produced'' (FAQ 5.1). The information to be gathered for each product comprises, among other elements, the HS/CN code, quantity, country of production, direct supplier and client, date or time range of production, and evidence of legal harvest. On geolocation, the Regulation requires that ''for plots of land of more than four hectares used for the production of commodities other than cattle, the geolocation must be provided using polygons, meaning latitude and longitude points of six decimal digits'' (FAQ 1.1); a single point is permitted for plots below four hectares. For wood, the scientific name is mandatory for all relevant products listed in Annex I of the EUDR under the commodity wood (FAQ 7.27) - including pulp and paper products.

[10] Combined Nomenclature (Annex I to Council Regulation (EEC) No 2658/87), available here.

- As step two, operators must "assess the risk that the products they intend to place on the market or export are non-compliant" and "need to demonstrate how the information gathered was checked against the risk assessment criteria and how they determined the risk" (FAQ 5.1).
- As step three, operators must "take adequate and proportionate mitigation measures in case they find under step two more than a negligible risk of non-compliance in order to make sure that the risk becomes negligible," and "these measures need to be documented" (FAQ 5.1).
- After completing the due diligence, the company must submit a DDS in the EUDR Information System, TRACES.

Where an operator sources entirely from areas classified as low risk, the Article 10 and Article 11 risk assessment and mitigation steps are not required unless the operator becomes aware of information, including a substantiated concern, pointing to a compliance risk, in which case the full obligations apply and the Competent Authority must be informed (FAQ 1.28, 5.1). The Article 9 information collection, including geolocation, still applies in full.

For more detailed instructions on performing due diligence, see the Commission's website here.

6) Determining the company's role under EUDR based on the size and position in the value chain

The targeted amendments approved in December 2025 introduced significant changes to obligations of operators, downstream operators, and traders depending on their position in the supply chain, as well as on the size.

To determine one's own company's obligations, it is therefore essential to understand the position in the supply chain according to the EUDR definitions.

A distinction is made between upstream (or first) operators, first downstream operators and downstream operators.

- Upstream operators (including micro or small primary operators) have the obligation to carry out the due diligence and submit a DDS or simplified declaration before placing the product on the market.
- The first downstream operator or trader (whose direct supplier is an operator) is required to collect and keep the reference number of the DDS or the simplified declaration for five years. There is no obligation to pass the reference number further down the supply chain.
- All downstream operators and traders must collect and keep information (name, registered trade name or registered trademark, the postal address, the email address and, if available, a web address) of their direct suppliers and customers for five years. If they are a large company, they must register in the Information System. More details are provided in the section below.

6.1. General definition of the operator

An operator is a natural or legal person, who places relevant products on the market (that is, it makes them available for the first time) or exports them in the course of commercial activity.

- Importers, placing relevant commodities or products on the EU market under the customs procedure release for free circulation' (e.g. importers of wood, pulp, paper or importers of empty packaging);
- domestic producers, placing on the market relevant commodities produced within the EU (e.g. harvesting companies buying standing timber and placing the wood for the first time on the EU market);
- exporters, exporting relevant products under the customs procedure 'export' that are not already covered by a DDS or simplified declaration (e.g. in case of import/export without further processing).

However, service providers, who offer logistical or technical support services, for instance freight forwarders, shipping agents or customs representatives who do not possess ownership or similar rights over the products they handle, are neither 'operators' nor 'traders' for the purpose of the Regulation, if they do not place or make available products on the market or export – see also FAQ 2.10.

6.2. Micro or small primary operator (MSPO)

Within this category, a definition of "**micro or small primary operator (MSPO)**" in low-risk countries has been introduced. This is defined as an operator that:

(i) is micro or small according to the thresholds of Article 3.1-2 (1) of Directive 2013/34/EU[11]
(ii) is established in a low-risk country under the EUDR country benchmarking system.
(iii) produces the products themselves: during a commercial activity, the operator must place on the market or export relevant products that this operator itself has grown, harvested, obtained from or raised on relevant plots of land located in that low-risk country.

Example: A small forest owner in an EU country harvesting and selling the wood in the EU market, or small harvesting company buying standing timber in a low-risk country and selling it for the first time in the EU market.

MSPOs can submit a one-off Simplified declaration instead of a DDS. **FAQ 3.28**. clarifies that in the Simplified Declaration it is possible to replace the geolocation by postal address, including the own private address of the producer, when it corresponds to the geographic location of the plots of land used for primary production. The business seat of an MSPO, where it is only used for administrative purposes, but not for the purpose of producing relevant commodities and products, cannot be declared as a plot of land or establishment for EUDR compliance purposes.

MSPOs have the possibility to declare "one-off estimated annual quantity of relevant products" in cases of irregular or fluctuating production, e.g. timber harvesting. See more in **FAQ 3.30**.

6.3. Downstream operators

A downstream operator is a natural or legal person who places on the market or exports relevant products made using relevant products, all of which are covered by a DDS or by a simplified declaration (SD), during a commercial activity.

- For domestic placing on the market, this involves selling a product classified under a new HS code made using other relevant components or raw materials that are already covered by a DDS/SD.
- In the case of exports, this involves exporting a product previously covered by a DDS/SD or exporting a relevant product made using other relevant components or raw materials previously covered by a DDS/SD.

Within this category, two distinctions exist: **the "first downstream operator" is the company who is supplied by an upstream operator.** The first downstream operator collects the reference number to the DDS provided by the supplier, links it to the product and keeps it for five years. It does not have to pass this data further downstream.

Companies supplied by downstream operators are considered further downstream operators. Their obligations are even more limited, to collecting and keeping the basic data of their suppliers and direct customers.

6.4. Trader

A **trader** is "any person in the supply chain other than the operator or downstream operator who, in the course of a commercial activity, makes relevant products available on the market" (Article 2 (17)). It is important to note that the obligations of large traders are the same as for large downstream operators.

[11] This includes operators "who exceed the limits of at least two of the three criteria set out in Article 3(1) and (2), first subparagraph of Directive 2013/34/EU but who can demonstrate that the parts of their balance sheet total, net turnover and average number of employees during the financial year, related to the relevant commodities and the relevant products, do not exceed the limits of at least two of three of those criteria."

6.5 Grouping of DDSs in the Information System

Information System users may group individual DDSs or Simplified Declarations that they have submitted themselves by submitting a new DDS or Simplified Declaration, via the previously submitted reference numbers or declaration identifiers ('grouped DDS or Simplified Declaration'). The Information System will assign a special status for the grouped DDS or Simplified Declaration, meaning that only one reference number/ID can be grouped.

Instead of the individual reference numbers or declaration identifiers, Information System users shall communicate or make available the reference number or declaration identifier of the grouped DDS or Simplified Declaration. (Implementing Regulation (EU) 2026/1565 of July 13, 2026, Article 8a, available here)

6.6. Multiple roles

It is also important to note that the same company may perform different roles depending on the operation, e.g. a company importing pulp for the first time in the EU, processing it and placing paper on the market. For more information about such cases, see section 9 of this Cepi Guidance. Obligations vary depending on whether companies are small and medium-sized enterprises (SMEs).

In the May 2026 update a clarification was added regarding multiple roles. In the updated Guidance document (Chapter 2, page 5), it has been stated that "*the determination of whether a natural or legal person qualifies as an operator, downstream operator, or trader must be assessed for each relevant product. If that person places on the market, exports and/or makes available on the market multiple relevant products, they may hold multiple roles simultaneously, depending on their position in the supply chain of each product*."

Companies are not required to assess if their supplier is an (upstream) operator or downstream operator to determine their own role and can assume it in good faith depending on the information provided by the supplier, unless they already know that the supplier is an upstream operator. (FAQ 3.5.)

As companies can have multiple roles at the same time, some FAQs have been added to explore different scenarios:

1. **The same legal entity** internally processes a commodity/product multiple times before placing it on the market: in this case, the company only has **one role** (either upstream operator or downstream) depending on the position in the supply chain. Obligations arise only for the placing on the market of the final product. (FAQ 2.11.)[12]
2. **The same legal entity** first places on the market a commodity/product and then processes it and places the derived product on the market: the legal entity has **dual role** of first operator (when first placing on the market the commodity, e.g. via import or harvest) and first downstream operator (when placing on the market the final product). (FAQ 3.8. and further elaborated in CASE 5)
3. **Different legal entities** within the same group place on the market the commodity/product, process it and place the derived product on the market: the different legal entities in the group have **different roles**. (FAQ 3.8.)

These roles will be explored in more detail in the examples provided in the following chapters of this Guidance.

6.7. Company groups

FAQ 3.13 clarifies that the due diligence obligations apply to 'persons' in accordance with Article 2(20), regardless of whether they are members of a company group or not. Subsidiaries of a group must refer to Directive 2013/34/EU to determine whether their legal entity is an SME or not. The balance sheet, net turnover and number of employees of the individual legal entity, not of the group, is decisive.

For this reason, each entity that meets the definition of operator, non-SME downstream operator or non-SME trader must create a separate and individual account for its economic operator in the Information System. The system does not allow for a single account with the role of operator, downstream operator or trader to represent multiple companies or to create an economic operator account for a company group with multiple user companies.

[12] Note: Differences in national legislation and specific legal and commercial arrangements might apply.

However, pursuant to Article 6 EUDR, company groups have the possibility to mandate one of their members as an authorised representative to submit DDS on behalf of all members of the groupage. An authorised representative can use a single account to submit and manage DDS or SD on behalf of all entities it represents.

The authorised representative must be established in the Union in accordance with Article 2(22) EUDR. It should be noted that legal responsibility for compliance with the Regulation remains with the individual operator.

At the same time, FAQ 5.3 states that *"the internal organisation and due diligence policy of a group of companies (a mother company and its subsidiaries) is not governed by the Regulation. The operator that places on the EU market or exports a relevant product is responsible for the compliance of the product and for overall compliance with the Regulation. Hence, it is its name that should be provided in the DDS, and it should retain the full responsibility under the Regulation. Further information on the extent to which due diligence obligations are individual can be found in Judgement C-117/24 of 13 November 2025, dealing with the EU Timber Regulation (EUTR)."*

7) Importing by non-EU companies, re-importing, and exporting procedure

7.1. Importing by non-EU companies

FAQ 3.7 states that if a natural or legal person established outside the EU places relevant products on the EU market, according to Article 7, the first person established in the Union who makes such products available on the market is deemed to be an operator. This means that in this case, there will be two operators – one established outside and one inside of the EU. The EU-based operator is subject to the obligations of "upstream operators". In this case, both the non-EU-based and EU-based operators must exercise due diligence and submit a DDS. [13]

Non-EU based operators will only have access to the Information System if they have a valid EORI number issued by an EU Member State or by the United Kingdom in respect of Northern Ireland, as only in this case they will need to submit a DDS/SD prior to lodging a customs declaration. They will have access to the system in their role of operator and not as an authorised representative as, according to Article 2(22), an authorised representative must be established in the Union. The same applies in the case of a company group which consists of multiple legal entities that are established both in- and outside of the EU.

7.2. Re-importing into the EU

The **FAQ 5.4** addresses the question of re-importing a product into the EU: In general, an importer is an (upstream) operator with an obligation to exercise due diligence and submit a DDS. Only if the importer can demonstrate that the relevant products which he places on the EU market, or all relevant products contained therein, have already been placed on the EU market previously and hence have been subject to due diligence, and places them under the customs procedure 'release for free circulation', can he be considered a "downstream operator". Only in this case does the re-importer not need to carry out due diligence or submit a DDS.

This clarification means that the re-importer does not have to fulfil all the obligations of first importers (see Case 1), but only the limited obligations of downstream operators, which are dependent on the size of the re-importer (see Cases 2 and 3).

The downstream operator's obligations are limited to verifying and, on demand, providing evidence to Competent Authorities, demonstrating that the product imported was previously placed on the EU market and exported thereof before the actual release for free circulation takes place. If this information is not

[13] The updated version of the FAQs (21 August 2026) removes from the FAQ 3.7. the previous mention of exports. In the FAQ 3.7. it is clarified that "No obligations under Article 7 EUDR apply to the first company established in the Union if it does not place or make available relevant product on the market". In the previous version, exporting was listed together with placing or making available on the market.

made available, the operator will have to exercise due diligence as the product is considered to be entering the market for the first time.

Supporting evidence for demonstrating previous placing on the market can be customs declarations, contracts, product order documents, shipment accompanying documents such as the CMRs (Convention on the Contract for the International Carriage of Goods by Road), bill of lading, delivery notes, airway bill, invoices, and any other credible documentation which can be linked directly to the relevant product in question.

At customs, the re-importer provides the reference number received from its non-EU supplier in the customs declaration. If no reference number has been provided, the re-importer can make use of a conventional reference number (meaning a universal reference number that can be entered in the customs declaration, format 22EU2222222222) which will be communicated by the Commission for use in the customs declaration submitted for re-import. Competent Authorities will be informed about the use of the conventional DDS reference number at customs, enabling them to take further steps of monitoring, verification and control.

The above applies equally where the imported product is made of relevant products that were previously exported from the EU market and have been subject to due diligence. For parts of relevant products that have not been subject to due diligence, operators must exercise due diligence and submit a DDS.

7.3. Exporting procedures

FAQ 5.6.1 clarifies that if the exporter classifies as an operator, standard obligations apply depending on the size of the operator (DDS or Simplified Declaration). At export, the reference number or declaration identifier must be made available to customs authorities before the export of the relevant product. In the case of a downstream operator, no reference number or declaration identifier needs to be provided to customs authorities at export Article 26(4)); instead, a dedicated TARIC certificate code can be used which would exempt downstream operators from providing reference numbers or declaration identifiers.

7.4. Customs procedures and TARIC codes (import/export)

According to the provisions of Articles 1, 3 and consequently Articles 4, 7, 8 and 9 of the EUDR, import or export of the products within the scope are subject to the presentation of the DDS.

All operators must register in the EU Information System (Article 33). Among downstream actors, only non-SME downstream operators and non-SME traders must register (Article 5(2)); SME downstream operators and SME traders are not required to register. TARIC document codes are used both for the import and export procedures. TARIC document code C716 corresponds to the DDS. **The declarant must use this code to declare to the national customs authorities that he/she is in possession of the required DDS.**

For downstream export, TARIC codes Y196 and Y188 have been created exclusively for export measures by downstream operators (Article 2 (15b) and 26(4) of Regulation (EU) 2023/1115).

Different document codes have also been created to cover exemptions from the EUDR, e.g. for the import of goods that are produced entirely from recycled material. In particular, TARIC document code Y133 has been created to cover the exemption defined in the second explanatory paragraph in Annex I, stipulating that the Regulation does not apply to goods if they are produced entirely from material that has completed its lifecycle and would otherwise have been discarded as waste as defined in Article 3, point (1) of Directive 2008/98/EC and recovered (waste and scrap) products, products derived from recovered (waste and scrap) products, and goods produced from materials that have completed their lifecycle and would otherwise have been discarded as waste.

For more information and other TARIC codes for other relevant exemptions, see the notice "**TARIC data created for Regulation (EU) 2023/1115 on deforestation and forest degradation**" (23 September 2026 Revision 1), available here.

8) Substantiated concerns and other evidence of non-compliance

A substantiated concern exists, according to the definition of Article 2(31), when there is a duly reasoned claim based on objective and verifiable information regarding non-compliance with the Regulation and which could require the intervention of Competent Authorities.

Substantiated concerns can be brought by any natural or legal person, Article 31(1) EUDR. They can be brought directly to the attention of a Competent Authority (Article 31 EUDR) or to an operator, downstream operator or trader with relation to their compliance (Article 4(5), 5(5), 5(6) EUDR) who, in turn, needs to inform Competent Authorities about that substantiated concern, and if applicable, about any mitigation measures undertaken. A substantiated concern must be "duly reasoned". This means that it must be justified through a transparent, concrete, logical and defensible chain of reasoning. (For more information, see **FAQ 4.15**.)

A company should be considered as being aware of information or of a substantiated concern if the information is shared with it via email or in another manner, for example during a meeting with its employees or by receiving information from the Commission, national authorities, other private entities or the media. They can be brought by any natural or legal person, directly to the attention of a Competent Authority or to an operator, downstream operator or trader, who in turn needs to inform Competent Authorities about that substantiated concern, and if applicable, about any mitigation measures undertaken. (See **FAQ 3.6.2)**

If a company receives a substantiated concern and has already placed the product on the market, they must immediately inform Competent Authorities of the Member State in which they placed the product as well as downstream clients (if the clients are in scope of the EUDR). This applies to both SMEs and non-SMES (Article 5.5).

In the case of exports, downstream operators must inform the Competent Authorities of the country of production. If unknown or the downstream operator does not have a designated Competent Authority, the Competent Authority of the Member State of export should be contacted. (See **FAQ 3.6.2**)

If a company receives a substantiated concern before placing a product on the market, obligations only apply to non-SMEs, namely to verify that due diligence was exercised and that no or only a negligible risk was found. Verification is a reactive obligation – it does not require a systematic analysis of due diligence exercised by (upstream) operators, but in the case of a substantiated concern, it can be done via the following means:

a. Where available, the company could verify the validity and content of the reference numbers and declaration identifiers that they have received.
b. Non-SME downstream operators or non-SME traders may further wish to collect and analyse information beyond what is contained in the Information System. They may, for instance, use the list of countries or parts thereof referred to in Article 29(2) EUDR; consult the publicly available reports based on Article 12(3) EUDR from non-SME upstream operators; consult the results of an audit conducted based on Article 11(2)(b) EUDR; or request, on a voluntary basis, further information from their suppliers. In that way, they could verify that upstream operators (suppliers) have an operational and up-to-date due diligence system in place, including adequate and proportionate policies, controls, and procedures to mitigate and manage effectively the risks of non-compliance of relevant products, to ensure that due diligence is properly and regularly exercised.
c. If no information leading to verification can be obtained, operators may fulfil the obligation to verify that due diligence was exercised by supplying the CA with relevant information about their supply chain, including from which supplier they have received the relevant product and any further information relating to the substantiated concern they may have. Their supplier may then be informed by the CA about the substantiated concerns, resulting in the same obligations. Upon reaching the downstream operator or trader which received the relevant products from an operator (the "first downstream operator or trader") such a downstream operator or trader shall, in case they are a non-SME, verify that due diligence was exercised upstream (by the operator) by requesting the DDS or SD information and other needed information from the operator. (See **FAQ 3.6.2**)

During verification, the downstream non-SME operator or trader **must not continue to place or make available on the market or export the product concerned,** unless the verification conducted by it, and/or the Competent Authority concludes that there is no or only a negligible risk of non-compliance. **(FAQ 3.6.2.)**

It is worth noting that as the further downstream operators have limited obligations and are not in possession of the DDS, this part of the Guidance is only relevant to first downstream operators and operators.

In a situation where a high risk of non-compliance has been detected by a CA, in a form of i.e. substantiated concern, the Competent Authorities can introduce interim measures as defined in Article 23 EUDR, including the suspension of placing or making available the product on the EU market. This suspension should end within three working days, or 72 hours in case of perishable products. However, the Competent Authority can conclude, based on checks carried out in this period, that the suspension should be extended by an additional period of three days in order to establish if the product is compliant with the Regulation. **(FAQ 9.11.)**

9) Obligations based on company's role

The aim of this chapter is to use scenarios to demonstrate obligations and functioning of the Regulation in certain situations based on the company's role.

Role	Have system for due diligence	Submit DDS	Submit Simplified Declaration	Pass on reference number or declaration identifier to customers	Register the company in EUIS
Large or medium-sized Operator	Yes	Yes	No	Yes	Yes*
Micro or Small Primary Operator	Yes	No	Yes	Yes	Yes*
First Downstream Operator/Trader	No	No	No	No	If the company is large
Further Downstream Operator/Trader	No	No	No	No	If the company is large

Figure 1. *Table of obligations depending on the company's role*

*If you have an authorised representative submitting your DDSs or your Simplified Declarations on your behalf, you do not need to register in the EU Information System (EUIS).

CASE 1: Operator placing for the first time the commodity (wood in the rough) or relevant product (all derived products in scope: chips, sawn wood, pulp, paper etc.) **on the EU market** (non-MSPO)

The commodity or product is not covered by a previous DDS (as in the case of placing wood on the market for the first time or importing pulp from non-EU Countries). The company does not fall into the MSPO category. In this case, the same obligations apply to both SMEs and non-SMEs. The companies in this role:

- Perform the full Due Diligence (Article 4.1). This means information collection (Article 9), risk assessment (Article 10) and risk mitigation (Article 11).
- Submit to the TRACES system the DDS (Article 4.2), which includes the geolocation information about the plots of land associated to the relevant commodity or product.
- Keep a record for five years of its DDSs (Article 4.3).
- Assume the responsibility of compliance with Article3 for what it places on the market.
- Have the obligation to communicate to direct customers (if the customer is in scope of the Regulation, meaning the customer is first downstream or trader) the reference numbers of the DDSs they have submitted (Article 4.7).
- In case they obtain or are made aware of relevant new information, including substantiated concerns, indicating that a relevant product that they have placed on the market is at risk of non-compliance, they must inform the Competent Authority of the Member States in which they placed the relevant product on the market, as well as downstream operators and traders to whom they supplied the relevant product. In the case of exports, they must inform the Competent Authority of the Member State of the country of production.
- Review annually the due diligence system (Article 12.2) and keep for five years the due diligence documentation (Article 12.5).
- Only if non-SMEs: publicly report annually on their due diligence system (Article 12.3).



CASE 2: Non-SME downstream operator and non-SME trader

The downstream operator buys and processes wood or intermediate products (e.g. pulp, paper) that are already on the EU market and have already been covered by a DDS by the supplier. The company:

- First downstream operator collects and keeps the DDS reference numbers from its supplier (and, where relevant, the declaration identifiers assigned to micro or small primary operators) if provided. Under Regulation (EU) 2025/2650, this obligation only applies to first downstream operators or traders in the chain, and not to those further down.
- Relies in good faith on the supplier's role and upstream due diligence and does not need to proactively request the DDS. If no DDS reference number is passed on, it may rely on the presumption that its supplier is not an upstream operator, unless it is aware of substantiated concerns of non-compliance.
- Does not submit a DDS to TRACES and is not required to ascertain that due diligence was exercised. Neither obligation applies to downstream operators or traders.
- Retains its direct business-partner information (from whom products were received and, where applicable, to whom they were supplied) and keeps that documentation for five years.
- Informs competent authorities and affected downstream customers if they become aware of information or substantiated concerns indicating possible non-compliance of a product already placed or made available on the market.

- Non-SME downstream operators and traders must assess and verify any indications of non-compliance before placing, making available, or exporting a product. Products may not be placed on the market, made available, or exported unless the verification confirms no risk, or only a negligible risk, of non-compliance.

The obligations of downstream operators and traders have been substantially simplified. Updated Commission FAQs and Guidance clarify that downstream operators generally do not need to repeat or systematically verify upstream due diligence and may rely on upstream DDS references absent substantiated concerns. Their obligations are focused on retaining DDS references (only first downstream) and business-partner information, maintaining records for five years, and acting where credible indications of non-compliance arise - rather than submitting a DDS or carrying out the annual review and public-reporting duties that fall on upstream operators.

CASE 3: SME downstream operator

Same situation as above, but the company fulfils EU SME criteria (available here). The company:

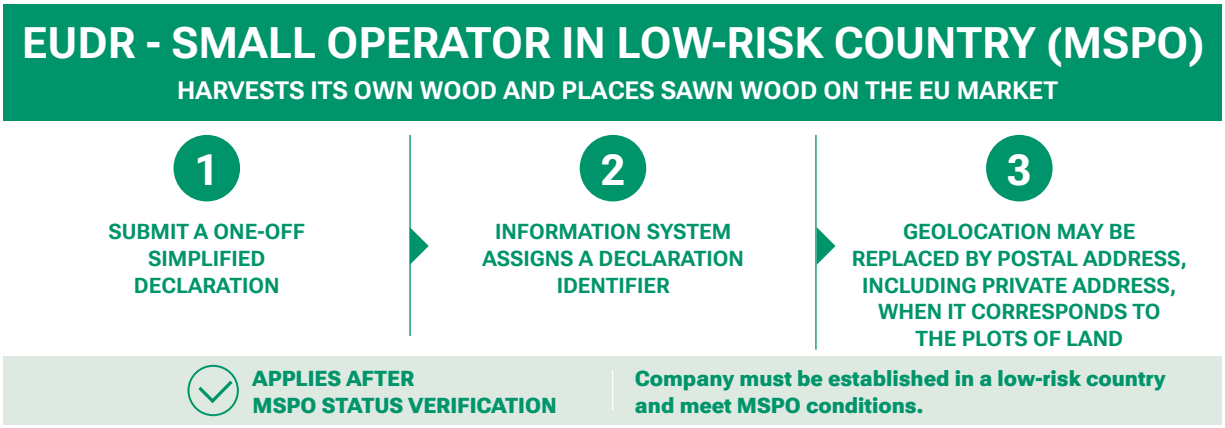
- First downstream operator collects and keeps the DDS reference numbers from its supplier (and, where relevant, the declaration identifiers assigned to micro or small primary operators) if provided. Under Regulation (EU) 2025/2650, this obligation only applies to first downstream operators or traders in the chain, and not to those further down.
- Relies in good faith on the supplier's role and upstream due diligence and does not need to proactively request the DDS. If no DDS reference number is passed on, it may rely on the presumption that its supplier is not an upstream operator, unless it is aware of substantiated concerns of non-compliance.
- Does not submit a DDS to TRACES and is not required to ascertain that due diligence was exercised. Neither obligation applies to downstream operators or traders.
- Retains its direct business-partner information (from whom products were received and, where applicable, to whom they were supplied) and keeps that documentation for five years.
- Informs competent authorities and affected downstream customers if they become aware of information or substantiated concerns indicating possible non-compliance of a product already placed or made available on the market. See also **FAQ 3.5**.

CASE 4: MSPO in low-risk country placing wood on the market for the first time

A small company, established in a low-risk country, harvests wood from its own plots, and places the sawn wood on the EU market. After a verification of the MSPO status, conditions presented in Chapter 4 of the Regulation, and after being established by 31 December 2024, the company will:

- Submit a one-off Simplified Declaration instead of a DDS, including information listed in Annex III to Regulation (EU) 2023/1115.
- Be assigned with a Declaration Identifier by the Information System which has been made available per individual micro or small primary operator.

In the Simplified Declaration it is possible to replace the geolocation by postal address, including the private address of the producer/company, when it corresponds to the geographic location of the plots of land used for primary production.



CASE 5: Company has multiple roles

Scenario 5 A:
A company imports wood in the rough (HS 4403, relevant product) and, within the same legal entity, uses the wood to make mechanical wood pulp (HS 4701, relevant product) which it sells to a paper manufacturer. It has a dual role of an operator (importing, i.e. first placing on the market) and first downstream (selling the pulp). The company will:

- Perform the full Due Diligence (Article 4.1), including information collection (Article 9), risk assessment (Article 10) and risk mitigation (Article 11) before importing the wood.
- Submit to the TRACES system the DDS (Article 4.2), which includes the geolocation information about the plots of land associated to the relevant commodity or product.
- Keep a record for five years of its DDSs (Art 4.3).
- In the role of the first downstream operator (production of the pulp), the company must collect the reference number of the DDS, as the supplier is an upstream operator. As it coincides in the same legal entity, the refence number is already available.
- After the sale, the company does not need to forward the reference number of its imported DDS to its client, the paper manufacturer.
- A paper manufacturer that purchases pulp from this company has the role of further downstream for that pulp. As a paper manufacturer may also have other roles, if using pulp directly imported from outside the EU, for which it would be the first operator.

Scenario 5 B:
A company uses both imported wood and wood domestically produced by a separate legal entity, for the pulp which it sells.

In this scenario, the company is the first operator for the imported wood, with the obligation to perform due diligence and submit the DDS before import, and the first downstream operator for the pulp produced (similar obligations as demonstrated in above scenario 5A) – but for the domestic wood, as the company buys the wood which already carries a DDS from a separate legal entity, the company will only have the role of a downstream operator for the domestic wood, with no obligation to perform due diligence or submit a DDS.

Scenario 5 C:
If, on the other hand, Company A uses wood in the rough (HS 4403, relevant product) grown and harvested by itself, but not placed on the market at the time of harvest, to make the wood pulp it sells, Company A is considered an **(upstream) operator** for the wood pulp Company A needs to exercise due diligence and submit a DDS (or SD) at the time of first placing on the market – which, in this case, happens when the wood pulp is sold (see **FAQ 5.20.** for the time of placing on the market; **FAQ 2.11** is also relevant where the same company processes the product more than once).

In a scenario where a company is using self-harvested plus imported timber (first upstream operator), which it sells to a paper manufacturer, the company must:

- Perform the full Due Diligence (Article 4(1)) information collection (Article 9), risk assessment (Article 10) and risk mitigation (Article 11) for the imported timber and submit the DDS to the Information System under Article 33 (Article 4(2)) before the timber is released for free circulation at customs (its point of first placing on the market).
- For the domestically grown and harvested timber, perform the full Due Diligence (Article 4(1)) and submit the DDS (or SD) at the time of first placing on the market, which, for this domestic supply chain, happens when the wood pulp is sold, including the geolocation of the plots where the timber was grown and harvested.
- Keep a record for five years of its DDSs (Article 4(3)).

Company A must communicate the reference number (or declaration identifier) of the pulp made from the domestic wood to the paper manufacturer, a downstream operator (Article 4(7), 5(3)(a) EUDR). The company does not need to forward the reference number of DDS given to the imported wood to the paper manufacturer.

Allocation of plots of land in the DDS for the wood pulp:
Each DDS must contain information on the place of production. Where wood from multiple origins is mixed before pulp production, full plot-level traceability to a specific batch of pulp may not always be achievable. In such cases, operators may rely on approaches recognised in the Commission FAQs.

a) Declaration in excess (FAQ 1.18)
Operators may declare a larger set of plots than those contributing to a specific production batch, provided that no unknown or non-compliant material is mixed in. While legally possible, this approach may generate very large datasets and increase the risk that a single non-compliant plot affects a large production volume. It is therefore generally not recommended.

b) Storage-based approach (FAQ 1.17)
Where wood is mixed in a yard, pile, stack or similar storage system, operators may declare all origins that could have contributed to the material placed on the market. The reporting period should be defined so that no material of unknown origin can enter the process. The chosen approach should reflect the storage and material-flow system used by the operator and ensure full EUDR compliance.

Scenario 5 D:
The same situation as in the above-mentioned scenario 5C, but with the difference that, due to the contractual and ownership arrangements in the supply chain, the wood in the rough (HS 4403) is considered to be placed on the market at the time of harvesting. The determination of when timber is placed on the market depends **on the specific legal and commercial arrangements governing the transaction.**

In this scenario, Company A acts as an operator for the timber that is first placed on the market when the trees are felled and subsequently as a first downstream operator when that timber is processed into wood pulp (different customs commodity code) and sold.

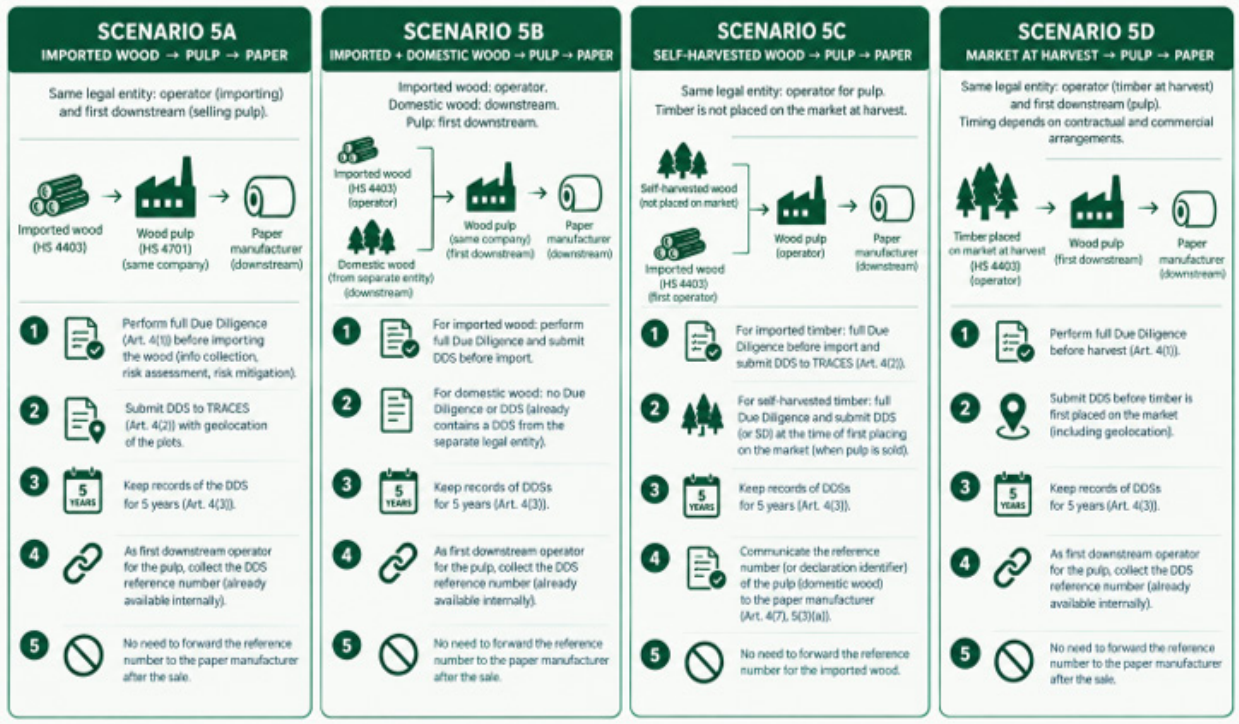
FAQ 3.8 clarifies that a legal entity may hold both roles where it places a relevant product on the market and subsequently uses that product to manufacture another relevant product which it also places on the market.

This situation may arise where the harvested timber is considered to enter the market immediately upon harvest, rather than only when the processed product is subsequently sold. In such cases, the timber constitutes the first relevant product placed on the market and the processing of that timber into pulp occurs within the same legal entity. The company must:

- Perform full due diligence (Article 4(1)), including information collection (Article 9), risk assessment (Article 10) and, where necessary, risk mitigation (Article 11), before the timber is harvested;
- Submit a DDS pursuant to Article 4(2) before the timber is first placed on the market, including the geolocation of the plots of land where the timber was grown;
- Keep records of the DDS for five years (Article 4(3));
- As first downstream operator for the pulp, collect and retain the reference number of the DDS relating to the timber used as input material. As both roles are exercised within the same legal entity, the reference number is already available internally;
- After the sale, the company does not need to forward the reference number of its imported DDS to its client, the paper manufacturer.

When placing the pulp on the market, Company A is acting as a first downstream operator. Consequently, it is not required to submit a new DDS for the pulp but must comply with the obligations applicable to first downstream operators under the EUDR.

The paper manufacturer purchasing the pulp is a further downstream operator with respect to that pulp. It may simultaneously hold other EUDR roles for other supply chains, for example where it imports pulp directly from outside the Union.



Conclusion of CASE 5

To put it generally, if the wood, pulp, or other relevant commodity purchased has an existing DDS, the company that purchases it has a role of a downstream operator. It can coincide together with a role of an operator, as the company could have different roles for different trade flows.

Scenario 5 D: If a company uses market pulp, which it imports itself from a non-EU country, the company will have a (dual) role of an operator when importing the pulp, and downstream operator when making available or placing the pulp or the produced paper/board on the EU market, or trader when reselling the pulp on the EU market.

If the pulp was already on the EU market (bought from another EU-based operator), the company would operate as the downstream operator for that trade flow.

CASE 6: Company is reimporting products into the EU

EU-based company A exports wood or intermediate products, such as pulp or paper, and another EU-based company B later imports the same products which have been already placed on the EU market and covered with a DDS when they left the EU market. In general, an importer is considered to be an upstream operator, but reimporting to the EU is considered to be a downstream activity rather than first placing on the market. The company B:

- Must prove that the products were previously placed on the EU market and covered by a DDS before export: Retains the evidence of prior EU placing and prior due diligence and where relevant, DDS reference numbers, linking to the original placing on the market. Uses the conventional reference number (format 22EU2222222222) at customs if no reference number is available. On demand, the company may be requested to provide supporting evidence (for instance invoices, contracts, customs documents) to prove the prior placing on the market by the Competent Authority.
- As the prior placing can be confirmed, the company holds no obligation to submit a new DDS or re-ascertain that the due diligence has been exercised.
- Keeps its records for five years and retains direct business-partner information.
- Acts where credible indications of non-compliance arises.

This is the case for a certain product leaving and re-entering the EU market. While this scenario covers two companies, the obligations under the Regulation remain the same for a company reimporting its own products. In a situation where a company would re-import a product which is made with a mixture of previously placed material and material entering the market for the first time, the standard due diligence obligation applies for the new material entering the market. See more in the **FAQ 5.4.**

CASE 7: Demonstrating the HS code change

A large, EU-based timber company A harvests wood and sells the logs to a large paper manufacturer B. Company A is the first to place the wood on the EU market, making it an operator under the EUDR.

- Company A performs the due diligence (Article 4.1, Article 13) for the wood.
- It is responsible for compliance of the relevant products with Article 3, including ensuring that the products are deforestation-free and legal, and must also submit a DDS for the logs in the Information System (FAQs 5.1 and 3.11). As an upstream operator, timber company A must also communicate the reference numbers of its DDS to the first downstream operator or trader in the supply chain for its relevant products (Article 4(7) and Article 5(3)(a), FAQs 1.23 and 3.5).
- The wood is sold to the paper manufacturer B.
- Wood (HS 44) is being transformed into paper (HS 48). A new HS code as set out in the Combined Nomenclature (Annex I to Council Regulation (EEC) No 2658/87) is introduced. A change in HS code activates the role of downstream operator, as presented in the FAQ 3.1.1.
- If manufacturer B were to merely resell the logs without transforming the product in a way that changes the Commodity Code, manufacturer B would classify as a trader.
- Downstream operators and traders are obliged to collect and keep for 5 years information about their direct business partners (Article 5(3)): name, registered trade name or registered trademark, postal address, email address and, if available, a web address of the suppliers and clients of relevant products. They only need to collect DDS reference numbers in the case where their direct supplier is an upstream operator, which is the case in this scenario.

A change in the Commodity Code (HS, CN or TARIC) as set out in the Combined Nomenclature (Annex I to Council Regulation (EEC) No 2658/87) of a product already placed on the market results in a company placing a derived product on the market being a downstream operator. Hence, the operator is the first placing on the market (the wood) and as the code changes the sawmill processing the wood into pulp and the paper manufacturer further processing it to paper are considered downstream operators. (**See EUDR Supply Chain Infographics, page 10, and FAQ 3.1.1.)**

CASE 8: Substantiated concern

A company (first downstream operator, non-SME) receives a substantiated concern from an NGO, indicating that the pulp produced by the company has been made using wood originating from plots which have been deforested after 31 December 2020. The full Due Diligence (Article 4.1) has been completed, including information collection (Article 9), risk assessment (Article 10) and risk mitigation (Article 11) for the wood by the upstream operator.

The NGO provided satellite imagery, harvesting permits which indicate that the fibre could originate from plots not declared in the DDS. As the information is based on verifiable data and considered objective, it constitutes as a substantiated concern under the EUDR. The company MUST:

- Act on the substantiated concern (Article 5.5.): **if the product has been placed on the market**, informs the Competent Authorities of the Member State where the placing on the market of the product has taken place. Inform downstream operators/traders it supplied: for exports, informs the competent authority of the country of production.
- **If the product has not yet been placed on the market,** inform the Competent Authorities, and verify the DDS done by the operator.
- **Stop the placing on the market of the affected product.**
- If non-compliance has been confirmed in the verification, corrective action (Article 24) will be adopted, for instance in the form of bringing to compliance, withdrawal of the product or recall, in addition to informing the authorities. Cooperation with the Competent Authority should take place and in the case of infringement of the Regulation, penalties may apply (Article 25).
- If no or only negligible risk remains, can continue placing the product on the market or export it.

9.1. Summary of the obligations of downstream operators and traders

Downstream operators and traders **are obliged to collect and keep for five years information about their direct business partners (Article 5(3)):** name, registered trade name or registered trademark, postal address, email address and, if available, a web address of the suppliers and clients of relevant products. They only need to collect DDS reference numbers in the case where their direct supplier is an operator. (**FAQ 3.4**)

The first downstream operator or trader does not need to proactively ask for the reference number or declaration identifier, unless they are already aware that the supplier is an operator, or to investigate their position in the supply chain. (**FAQ 3.5**)

Non-SME downstream operators and traders receiving relevant commodities from first operators are additionally required to register in the Information System (TRACES).

FAQ 3.4 adds that the "collecting and keeping" obligation does not entail any requirement to store that information in a specific system or database. It is sufficient that the downstream operator or trader can retrieve and compile such information within a reasonable period following a request from a Competent Authority or in case of substantiated concerns. In that case, they must be able to link the DDS reference numbers and declaration identifiers to incoming, but not to outgoing, product flows. It also does not imply any requirement to systematically check the content or the validity of the reference numbers received from the supplier.

10) Ascertaining the due diligence of the supplier

Downstream operators and traders are not required to exercise due diligence themselves, do not need to submit DDSs, nor do they need to ascertain that due diligence was exercised upstream.

Operators are required to exercise due diligence in line with Article 8 of the Regulation, fulfil information requirements of Article 9 and establish a due diligence system in line with Article 12.

However, in accordance with Article 13, operators sourcing from low-risk countries are not required to fulfil the obligations under Article 10 and Article 11, after having assessed:

i. the complexity of the relevant supply chain;
ii. and the risk of circumvention or mixing with products of unknown origin, or origin in high-risk or standard-risk countries or parts thereof.

They must ascertain that all relevant commodities and products they place on the market or export have been produced exclusively in such countries or parts thereof that were classified as low risk in accordance with Article 29. (For more information, see Chapter 11, Country benchmarking)

11) Country benchmarking

A benchmarking system has been developed by the Commission to classify countries or regions according to risk of deforestation and degradation: standard (by default), low and high (Article 29).

Operators who ascertain that the wood they use has been harvested in low-risk countries can perform a simplified due diligence. This means that operators must still collect relevant information to prove that the commodities and products are deforestation-free and legal, including geolocation coordinates of plots of land, but do not need to assess and mitigate risks. The operators still need to assess that there is a negligible risk of circumvention or of mixing with products of unknown origin or coming from standard or high-risk countries. In that case, full due diligence must be carried out (Article 13). Simplified due diligence does not apply if the operator has received a substantiated concern that the relevant products could be non-compliant.

Member States' authorities are required to perform minimum levels of inspections depending on the level of the risk (9% of operators for high-risk countries, 3% for standard-risk and 1% for low-risk). All countries are considered standard risk unless they are classified as "low" or "high" in the Commission implementing Regulation laying down rules for the application of the Deforestation Regulation (available here).

The list may also be updated in the coming years, based on newest FAO data on deforestation.

Low risk countries: Afghanistan, Albania, Algeria, Andorra, Antigua and Barbuda, Armenia, Australia, Austria, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belgium, Bhutan, Bosnia and Herzegovina, Brunei Darussalam, Bulgaria, Burundi, Cabo Verde, Canada, Central African Republic, Chile, China, Comoros, Congo, Costa Rica, Croatia, Cuba, Cyprus, Czechia, Denmark, Djibouti, Dominica, Dominican Republic, Egypt, Estonia, Eswatini, Fiji, Finland, France, Gabon, Georgia, Germany, Ghana, Greece, Grenada, Guyana, Hungary, Iceland, India, Iran (Islamic Republic of), Iraq, Ireland, Italy, Jamaica, Japan, Jordan, Kazakhstan, Kenya, Kiribati, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Latvia, Lebanon, Lesotho, Libya, Liechtenstein, Lithuania, Luxembourg, Madagascar, Maldives, Mali, Malta, Marshall Islands, Mauritius, Micronesia (Federated States of), Monaco, Mongolia, Montenegro, Morocco, Nauru, Nepal, Netherlands (Kingdom of the), New Zealand, North Macedonia, Norway, Oman, Palau, Palestine, Papua New Guinea, Philippines, Poland, Portugal, Qatar, Republic of Korea, Republic of Moldova, Romania, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Sao Tome and Principe, Saudi Arabia, Serbia, Seychelles, Singapore, Slovakia, Slovenia, Solomon Island, South Africa, South Sudan, Spain, Sri Lanka, Suriname, Sweden, Switzerland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Tonga, Trinidad and Tobago, Tunisia, Türkiye, Turkmenistan, Tuvalu, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Uruguay, Uzbekistan, Vanuatu, Vietnam, Yemen.

High risk countries: Belarus, Democratic People's Republic of Korea, Myanmar, Russian Federation.

This data is based on the Commission Implementing Regulation (EU) 2025/1093 and may be updated based on new FAO data.

12) Frequency of DDS submission for first operators

A DDS can cover multiple physical batches/shipments of multiple different, relevant products. The essential condition is that the quantity of all relevant products placed on the market or exported must be covered by a DDS, that no or only a negligible risk was found that the relevant products do not comply with Article 3, point (a) or (b), EUDR (Annex II) and that statement must be submitted prior to the placing on the market or export.

Once the quantity of products covered by the DDS has been fully placed on the market or exported, a new statement must be filed for additional quantities by the same operator.

FAQ 5.19. clarifies that a DDS should not cover shipments/batches over a period longer than one year from the time of submission of the statement. Operators shall review their due diligence system once a year.

In principle a DDS should cover commodities that have already been produced, i.e. grown, harvested, obtained from or raised on relevant plots of land. As an exception, when the operator sources from stable plots of land with unchanged conditions, in terms of legality and absence of deforestation or forest degradation, the operator can exercise due diligence and submit a DDS prior to harvesting. (**FAQ 5.19**)

The quantities of the products declared in the DDS must correspond to the quantities that have been subject to the due diligence exercise by the operator and are intended to be placed on the EU market or exported. A product must not be covered by multiple DDSs submitted by the same person. If a person does not know which products will be sold on the EU market, and which will be exported at the time of DDS submission, it is possible to declare all products with an "export" DDS and keep documentation demonstrating the corresponding quantities. The Competent Authority may request evidence of this correspondence which should be available for five years after it is declared and placed on the market for the last time.

13) Communicating reference numbers via CSV Files

In certain roles, the transfer of the reference numbers between operators in the supply chain is essential in order to comply with EUDR obligations. With the introduction of the first downstream operator in December 2025, the obligation to transfer reference numbers has been lessened, and downstream operators can now rely on upstream operators to pass them on. Downstream operators must nevertheless receive and keep the DDS reference numbers for the required time.

The Regulation does not stipulate any particular method for exchanging the data with the customers who are in scope of the Regulation. It is, however, recommended to exchange them in electronic format so that it is easier to retrieve the numbers and use them in the DDS submission. DDS reference numbers can also be printed on the relevant invoices.

To facilitate electronic reading of the reference numbers and automation withing the companies' processes, it is recommended to use CSV files with the following standardised format:
Encoding (utf-8), column separator (;), decimal separator (,).

The following elements should be included: company name, company identifier number (e.g. VAT), company identifier type (VAT or other), supplier reference, customer reference, delivery date (or other relevant date agreed with the customer), HS heading, description of goods, net weight in kilograms (as required by the TRACES systems), DDS reference number.

Example:

Company Name	Company identifier number	Company identifier type	Supplier reference	Customer reference	Delivery date	HS heading	Description of goods	Net weight in kilograms	DDS reference number(s)
Company XYZ	4568327-3	VAT	123456789	12345	2025-05-10	4403	Softwood	250000	25FI3OTIPO6519

The CSV encoding should be the following:
companyName;companyIdentifier;companyIdentifierType;companyInternalRef;date;hsHeading;desciptionOfGoods;referenceNumber.

There is no legal obligation under the revised EUDR to share verification numbers downstream, which serve as an additional security layer for the data contained in declarations. Where non-SME downstream operators and non-SME traders verify the exercise of due diligence pursuant to Article 5(6) EUDR, **in case of substantiated concerns**, they may request their direct supplier to share verification numbers (see **FAQ 3.6.1** and **FAQ 7.25** for more information).

14) Entry into application and transitional period

The EUDR entered into force on **29 June 2023**. By Regulation (EU) 2025/2650, adopted on 19 December 2025, the application of the EUDR was **postponed by one year**. As a result, most obligations on operators and traders, including those in Articles 3 to 13, Articles 16 to 24, and Articles 26, 31 and 32, apply from **30 December 2026** for medium and large operators (and for micro and small enterprises as regards products covered by the Annex to the EU Timber Regulation).

For other operators that were established as micro- or small undertakings (MSPO/SME) by 31 December 2024, those obligations apply from **30 June 2027.**

This means that in the forest-based value chain the entry into application of EUDR is **30 December 2026** irrespective of the size of the company.

The transitional period runs between the entry into force of the Regulation (29 June 2023) and the entry into application (30 December 2026).

The Commission Guidance, page 10, clarifies that, for timber and timber products produced from 29 June 2023 until 30 December 2026 and:

- placed on the EU market before 30 December 2026, such products and their derived products must comply with the rules of the EUTR; if the derived products are not covered by the Annex of the EUTR, those products would be exempted from EUTR and EUDR;
- placed on the EU market as of 30 December 2026, such products and their derived products, must comply with the EUDR rules.

Page 10 of the Commission Guidance further clarifies the status of paper products placed on the EU market from 30 December 2026 but manufactured from timber that was harvested and placed on the market during the transitional period: in such cases the harvested timber and the products manufactured from such timber must comply with EUTR. They do not need a DDS, as this requirement applies to products in scope of EUDR.

For operators, it is important to keep a record and proof of the date of placing on the market of the wood and derived products (e.g. pulp) in order to be able to justify why certain products placed on the market after December 2026 are not accompanied by a DDS and are EUTR-compliant only. See also **FAQ 9.2** on what documents are accepted as proof of 'placing on the market':

- In case of imported products, the customs declaration of relevant commodities or products is accepted.
- For EU produced goods, other documentation should be accepted as proof, for example documentation relating to the production date, if the production date aligns with the time of placing on the market, e.g. felling tickets, invoices, or other documentation related to the production or selling date of the commodity.
- To prove the date of placing on the market, operators should keep contracts between the parties, product order documents, shipment accompanying documents concerning the delivery to the customer including CMRs (Convention on the Contract for the International Carriage of Goods by Road) bill of lading, delivery notes, airway bill, and any other documents proving that goods have been transferred between two parties.

For products falling in the transitional period, no DDS needs to be submitted in the Information System. In case of export or re-import of a product which was initially placed on the EU market during the transitional period (itself or in the form of an upstream relevant product), a "conventional DDS reference number", meaning a universal reference number that can be entered in the customs declaration in cases of products falling in the transitional period, will be communicated by the Commission that can be used in the customs declaration submitted for export or re-import. **FAQ 9.2** states that the format is **99EU9999999999.**

It should be noted that no conventional number needs to be provided in case of export by a downstream operator; instead, a dedicated TARIC certificate code will be available in this situation (see **FAQ 5.6.1, Chapter 7.4. of this Guidance**).

When operators and traders mix commodities placed on the EU market during the transitional period with newer (post-transitional period) stocks, only the information relevant to commodities newly placed on the EU market should be part of the DDS as this stock is subject to the due diligence exercise.

Cepi is the European association representing the paper industry. We offer a wide range of renewable and recyclable wood-based fibre solutions to EU citizens: from packaging to textile, hygiene and tissue products, printing and graphic papers as well as speciality papers, but also bio-chemicals for food and pharmaceuticals, bio-composites and bioenergy. We are a responsible industry: 85% of our raw materials are sourced from within the European Union, 92% of the water we use is returned in good condition to the environment. We are the world champion in recycling at the rate of 70.5% At the forefront of the decarbonisation and industrial transformation of our economy, we embrace digitalisation and bring 25 billion value addition to the European economy and €5 billion investments annually. Through its 19 national associations, Cepi gathers 490 companies operating 870 mills across Europe and directly employing more than 180,000 people.

More information about our sustainability performance here.

However, it is important to note that this arrangement does not apply to products that were already placed on a non-EU market during the transition time. For example, if paper is imported from a non-EU market after 30 December 2026, it will have to be accompanied by a DDS, even if the timber was originally placed on the non-EU market during the transition period.

Cepi
RENEWABLE
RECYCLED
RESPONSIBLE
EUROPEAN