

On 3 March 2013 the European Union Timber Regulation will start applying. This legislation concerns all companies that deal with wood and wood products, whether these origin from in or outside the EU. With this guide CEI-Bois informs about the main aspects of the regulation and the measures one might need to take.

**What is the EUTR?** 

The European Union Timber Regulation:

1. prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber;
2. requires EU traders who place timber products on the EU market for the first time to exercise 'due diligence';
3. obliges traders to keep records of their suppliers and customers in order to facilitate the traceability of timber products

The regulation will apply as from 3<sup>rd</sup> March 2013.

**Scope/ products covered**

The Regulation covers a broad range of timber products including solid wood products, flooring, plywood, pulp and paper. Not included are recycled products, as well as printed papers such as books, magazines and newspapers.

It applies to both imported and domestically produced timber and timber products. Timber and timber products covered by valid [FLEGT](#) or [CITES](#) licenses are considered to comply with the requirements of the Regulation.



**Who is concerned as “operator”?**

The provisions of the Regulation concerning “operators” apply to:

- companies which harvest timber within the EU, for the purpose of processing or for sale to commercial or non-commercial consumers
- companies which import timber and timber products into the EU, for the purpose of processing or for sale to commercial or non-commercial consumers, and
- companies which import timber into the EU exclusively for use in their own business.

**Main definitions**

For the purpose of the regulation the following definitions apply:

- **Illegally harvested:** harvested in contravention of the applicable legislation in the country of harvest; Illegal wood or illegal wood products are products produced from or containing wood from illegal origin;
- **Operator:** any natural or legal person that places timber or timber products on the market;
- **Trader:** any natural or legal person who, in the course of a commercial activity, sells or buys on the internal market timber or timber products already placed on the internal market (by an operator).



## What do I need to do?

- As operator: exercise due diligence (see below)
- As trader: be able to identify the operators or the traders who have supplied the timber and timber products; and the traders to whom you supplied timber and timber products. Information shall be kept for at least five years and provided to competent authorities if they so request.



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## Operator or trader?

Whether you are an operator depends on the nature of your activities. If you are the person or company to put wood and wood products for the first time on the EU market, then you are an operator and obliged to exercise due diligence.

Typical examples of operators include:

- A company importing wood and wood products, wood furniture, ... from third countries;
- A company selling logs from own production or harvesting operations within the EU;
- A sawmilling or panel company importing logs to produce sawn timber or panels to be sold on the EU market;
- Non EU companies selling wood and wood products, wood furniture, ... to customers in the EU.

The EC has put a number of requirements to the due diligence system to be applied. These are listed separately in this brochure.

As operator you can also rely upon the services of a monitoring organisation in the context of the EUTR. This can assist you in meeting your legal obligations.

## More information?

- ◆ Regulation of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market adopted on 20 October 2010 and published in the Official Journal on 12 November 2010
- ◆ Commission delegated Regulation of 23.2.2012 on the procedural rules for the recognition and withdrawal of recognition of monitoring organisations as provided for in Regulation (EU) No 995/2010 of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market
- ◆ Commission implementing Regulation (EU) No 607/2012 of 6 July 2012 on the detailed rules concerning the due diligence system and the frequency and nature of the checks on monitoring organisations as provided for in Regulation (EU) No 995/2010 of the European Parliament and of the Council laying down the obligations of operators who place timber and timber products on the market
- EC Guidance document - Issues relating to the EU Timber Regulation legal framework

## Due diligence: What is this?

Due diligence requires an operator to gather information about timber and timber products and their suppliers in order to conduct a full risk assessment.

The information required to be assessed under Article 6 can be divided into two categories.

- Article 6(1)(a) - specific information related to the timber or timber product itself: a description, its country of harvest (and, where applicable the sub-national region and concession), the supplier and trader, and documentation indicating compliance with applicable legislation.
- Article 6(1)(b) general information providing the context for assessing the product-specific information, about the prevalence of illegal harvesting of specific tree species and prevalence of illegal harvesting practices in the place of harvest, and on the complexity of the supply chain.

The level of risk can only be assessed on a case-by-case basis as it depends upon a number of factors.

Although there is not a single accepted system for risk assessment, as a general rule however, the operator will have to address each of the following questions:

- Where was the timber harvested?  
Is illegal logging prevalent in the country, or sub-region, or concession from where the timber originates? Is the specific tree species involved particularly at risk of illegal logging? Are there sanctions imposed by the UN Security Council or the Council of the European Union on timber imports and exports?
- Is the level of governance of concern?  
The level of governance might undermine the reliability of some documents indicating compliance with applicable legislation. Thus the country's corruption level, business risk indices, or other governance indicators should be considered.
- Is the supply chain complex?  
The more complex the supply chain the harder it will be to trace the origins of the product back to the logging source. Failure to establish necessary information at any point in the supply chain will increase the possibility of illegally harvested timber entering the chain.
- Are all documents indicating compliance with applicable legislation made available by the supplier, and are verifiable?  
If all possible documents are readily available, there is a stronger likelihood that the product's supply chain has been established. There should be well founded confidence that the documents are genuine and reliable.
- Are there indications of involvement of any company in the supply chain in illegal practices?  
There is a greater risk that timber purchased from a company that has been involved in illegal practices will have been illegally harvested.

Action tree: risk or not?

