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# THE EUROPEAN DEFORESTATION REGULATION

KEY FACTS AND COMPLIANCE  
DEADLINES



Presented by

EUROPEAN CONFEDERATION OF  
INSTITUTES OF INTERNAL AUDITING



ECIIA

# Context



## Overview

The European Deforestation Regulation (EUDR) imposes stringent requirements on companies that place products linked to deforestation on the EU market.

The implementation of the EUDR has been delayed by one year and will now take effect on **December 30, 2025**. For micro and small enterprises, the EUDR will enter into force on **June 30, 2026**.

Despite efforts by the European People's Party to weaken the law (e.g., removing the risk category), the original text has been retained. The European Commission (EC) has agreed to review the regulation in 2028 for potential simplifications.

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## Prohibition

It is illegal to put or make available on the market relevant commodities unless they have been verified to be:

- Deforestation-Free
- Legally produced according to the laws of the production countries
- Covered by a due diligence statement

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## Who It Affects

The EUDR applies to any legal or natural person established in the EU who puts, makes available, or exports relevant commodities listed in the regulation. Simplified obligations exist for SMEs.

## Obligations

Operators and traders must conduct due diligence on their products and create a due diligence statement, which will be made available to the competent authorities.

The due diligence process includes:

- Collecting specified product information
- Performing a risk assessment
- Implementing appropriate risk mitigation procedures

Risk assessments and mitigation procedures must be reviewed at least annually, and their outputs must be justifiable to authorities upon request. Documentation on the due diligence system should be stored for a minimum of 5 years, and annual reports on the system and its conclusions must be made publicly available.

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## Due Diligence Requirements

The information requirements include:

- A description and identification of the products
- The quantity of the products
- The country of origin
- The geolocation of the plots of origin
- Contact details of the suppliers and recipients
- Adequately conclusive and verifiable information confirming non-deforestation
- Adequately conclusive and verifiable information confirming legal production

Beyond what is deemed necessary, the risk assessment should take into account:

- The Commission's designation of country risk and conclusions from Commission expert groups
  - The presence of forests
  - The presence and treatment of indigenous groups
  - The prevalence of deforestation and forest degradation
  - Concerns about corruption, lack of law enforcement, human rights violations, armed conflict, and sanctions
  - The obscurity of product provenance
  - History of concerns raised to regulators
  - Information from certification schemes
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If the risk is deemed more than negligible, risk mitigation is necessary. This may involve further investigation, inspections, audits, and capacity building.

Operators must have adequate and proportionate policies, controls, and procedures in place to effectively mitigate and manage risks of non-compliance, including an independent audit function to verify internal policies.

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## Exceptions

SMEs may trade in relevant products without performing the due diligence process, provided their supplier has fulfilled the obligations and submitted a due diligence statement. SMEs using this exemption only need to maintain records of their suppliers and their due diligence statements.

If the products verifiably originate only from a country declared low risk by the Commission, further risk assessments and mitigation are unnecessary.

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## Enforcement

Competent authorities will carry out risk-based checks. Any person may submit substantiated concerns to these authorities, who are obligated to assess and respond within 30 days. If a person believes their concerns have not been sufficiently addressed, they may resort to legal means.

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## Penalties

- Proportional fines of up to 4% of total EU-wide annual turnover for repeated infringements
  - Confiscation of relevant products or revenues
  - Temporary exclusion from trading relevant commodities
  - Temporary exclusion from public procurement
  - Prohibition from simplified due diligence
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## Implementation Deadline

December 30, 2025: EUDR takes effect for most companies

June 30, 2026: EUDR enters into force for micro and small enterprises

2028: European Commission will review the regulation for potential simplifications



## Additional resources

- [Regulation \(EU\) 2024/3234: Amendment on Application Date of Regulation \(EU\) 2023/1115](#)

# Contact Information



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