

EU Timber Regulation applicable from 3 March 2013

Illegal logging is the harvesting of timber in contravention of the laws and regulations of the country of harvest. Illegal logging is a global problem with significant negative economic, environmental and social impact.

In economic terms illegal logging results in lost revenues and other foregone benefits. In environmental terms illegal logging is associated with deforestation, climate change and a loss of biodiversity. In social terms illegal logging is often linked to conflicts over land and resources, the disempowerment of local and indigenous communities and armed conflicts.

Illegal activities also undermine the efforts of responsible operators by making available cheaper but illegal timber and timber production the marketplace.

In October 2010 the EU adopted a new Timber Regulation¹ to combat trade in illegally harvested timber. This is one of a number of actions under the 2003 EU Action Plan on Forest Law Enforcement Governance and Trade (FLEGT).

¹ 'Regulation laying down the obligations of operators who place timber and timber products on the market' (EU (995/2010)
<http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2010:295:SOM:EN:HTML>

Main obligations of the EU Timber Regulation

The regulation counters the trade in illegally harvested timber and timber products through three key obligations:

- 1) It prohibits the placing on the EU market of illegally harvested timber and products derived from such timber;
- 2) It requires EU traders who place timber products on the EU market for the first time to exercise 'due diligence'.

Once on the market, the timber and timber products may be sold on and/or transformed before they reach the final consumer. To allow for the traceability of timber products economic operators in this part of the supply chain (referred to as traders in the regulation) have an obligation to

- 3) keep records of their suppliers and customers.





What is “due diligence”?

The core of the ‘due diligence’ notion is that operators have to undertake a risk management exercise so as to minimise the risk of placing illegally harvested timber, or timber products containing illegally harvested timber, on the EU market.

The three key elements of the “due diligence system” are:

- **Information:** The operator must have access to information describing the timber and timber products, country of harvest, quantity, details of the supplier and information on compliance with national legislation.
- **Risk assessment:** The operator should assess the risk of illegal timber in his supply chain, based on the information identified above and taking into account criteria set out in the regulation.
- **Risk mitigation:** When the assessment shows that there is a risk of illegal timber in the supply chain that risk can be mitigated by requiring additional information and verification from his supplier.

The European Commission will develop more detailed rules on the “due diligence system” by June 2012.

Which products does the Regulation cover?

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 rattan, bamboo and printed papers such as books, magazines and newspapers. The product scope can be amended if necessary.

The Regulation applies to both imported and domestically produced timber and timber products.

Timber and timber products covered by valid FLEGT² or CITES³ licenses are considered to comply with the requirements of the Regulation.

² <http://ec.europa.eu/environment/forests/flegt.htm>

³ http://ec.europa.eu/environment/cites/home_en.htm

Implementation of the Regulation

Each EU Member State will designate a competent authority that will coordinate enforcement of the Regulation. Member States will also determine the type and range of penalties that will apply in case of non-compliance with the regulation.

The Regulation provides for “monitoring organizations” to be recognised by the European Commission. These organisations which will be private entities, will provide EU operators with operational due diligence systems. Operators can thus develop their own system or use one developed by a monitoring organisation.

Further information

Additional information can be found at:

http://ec.europa.eu/environment/forests/illegal_logging.htm



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