



Legality of Exporting Forest Products to the European Union, Australia and USA

City, Country
Date, 2013



European Union Timber Regulation (EUTR)



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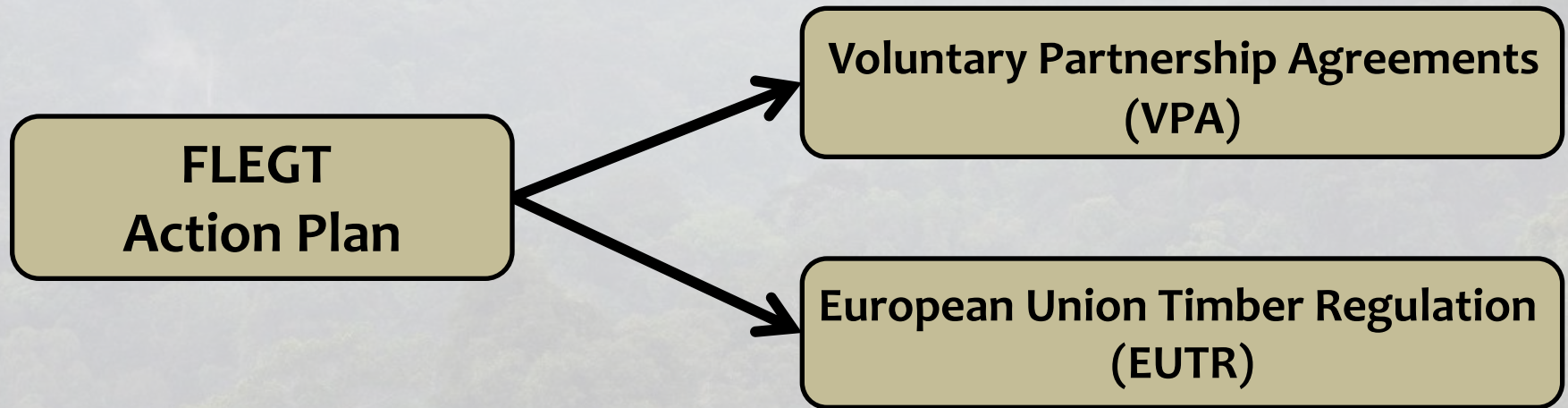
Relatively new - 3 March 2013.

- ❑ EU operators must not place illegally harvested timber and timber products on the EU market for the first time.
- ❑ At the time of writing this is yet to be tested in court.



European Union Timber Regulation (EUTR)

EUTR is one of two key elements of the EU Forest Law Enforcement, Governance and Trade Action Plan (FLEGT):



Any wood or wood product which carries a FLEGT license or a CITES* permit is considered to be compliant.

*Convention on International Trade in Endangered Species of Wild Fauna and Flora

Illegally Harvested Timber =

Timber which has been harvested in **contravention** of the applicable legislation in the country of harvest

Applicable legislation includes that which governs:

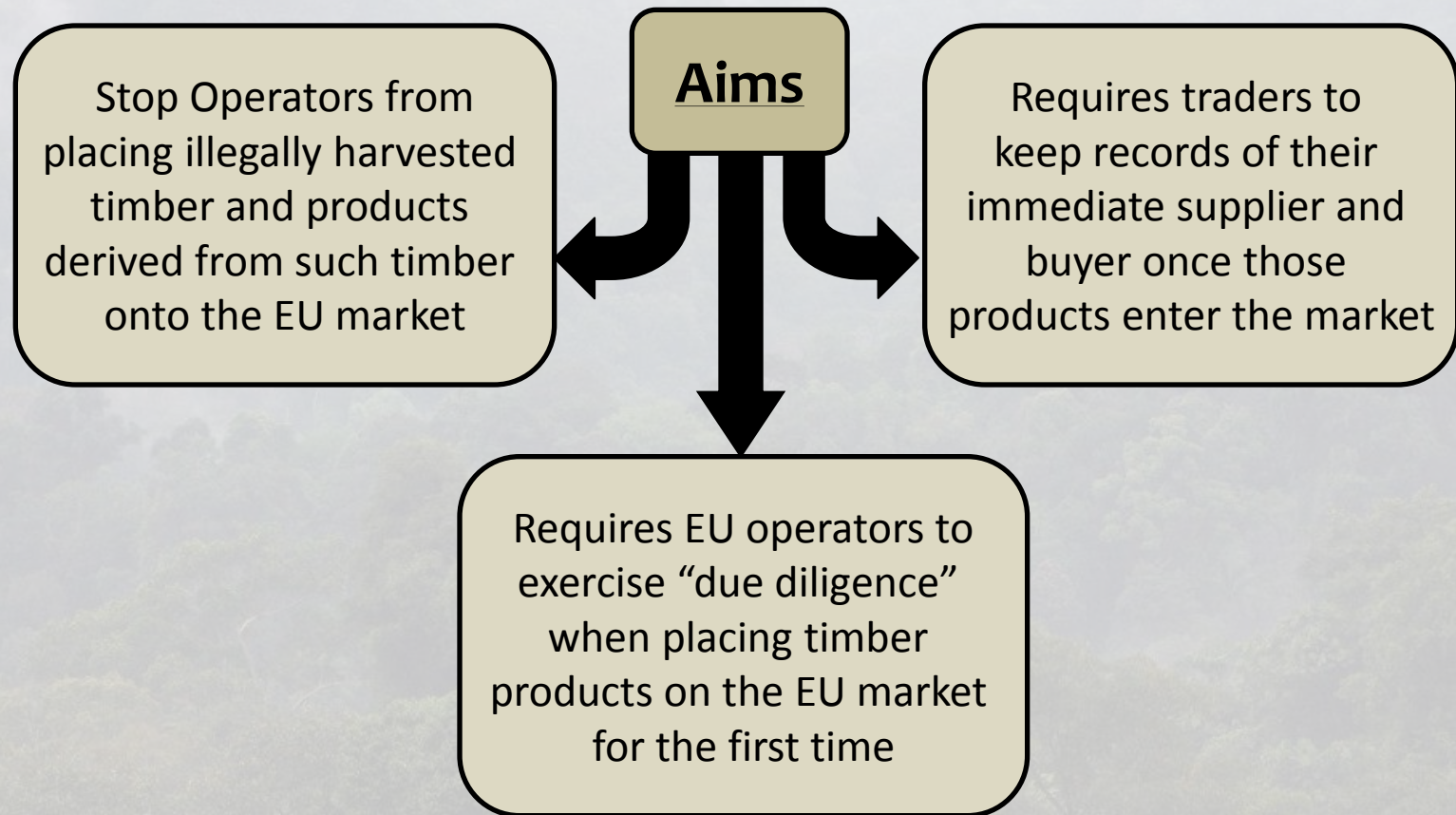
- The right to harvest timber within legally gazetted boundaries
- Third Parties' legal rights concerning use and tenure in areas affected by timber harvesting
- Payment for harvest rights and timber; (including duties related to harvesting)
- Environmental and forest legislation including forest management and biodiversity conservation
- Trade and customs, in so far as the forest sector is concerned

EUTR – What is covered?

Currently applies only to the following products

4401	Fuel wood
4403	Wood in the rough
4406	Railway or tramway sleepers
4407	Wood sawn or chipped lengthwise
4408	Sheets for veneering
4409	Wood continuously shaped
4410	Particle board and similar
4411	Fibreboard
4412	Plywood, veneered panels and similar
44130000	Densified wood
441400	Wooden frames
4415	Packing cases, boxes, crates, drums and similar
44160000	Casks, barrels, vats, tubs etc.
4418	Builders' joinery and carpentry of wood
940330	Furniture
940340	Furniture
940360	Furniture
94039030	Furniture
94060020	Prefabricated buildings
Pulp and paper - see Chapters 47 & 48 of Combined Nomenclature)	

Check Council Regulation (EEC) No. 2658/87 of 23 July 1987 and Common Customs Tariff for further details.



EUTR - What is not covered?

- Recycled products
- Printed paper (eg. books, magazines and newspapers);
- Packing material containing goods and used exclusively to support, protect or carry another product;
- Some bamboo and rattan products;
- Timber being brought or sold by private individuals or companies for their own personal use and not for commercial purposes;
- Other products not included in the Annex

EUTR – Applies to importers and traders in the EU

Operators =

Anyone placing timber products onto the EU market
for the first time

They **must** apply Due Diligence Systems to avoid risk from their sources

They can use:

- Their own system
- An existing system; or
- One developed with a Monitoring Organisation

Traders =

Those who buy and /or sell wood-based products that have already been placed in the EU market (by an operator)

Must keep information about immediate suppliers and customers to make timber easily traceable.

This information should be retained for five years

Individual Final Consumers

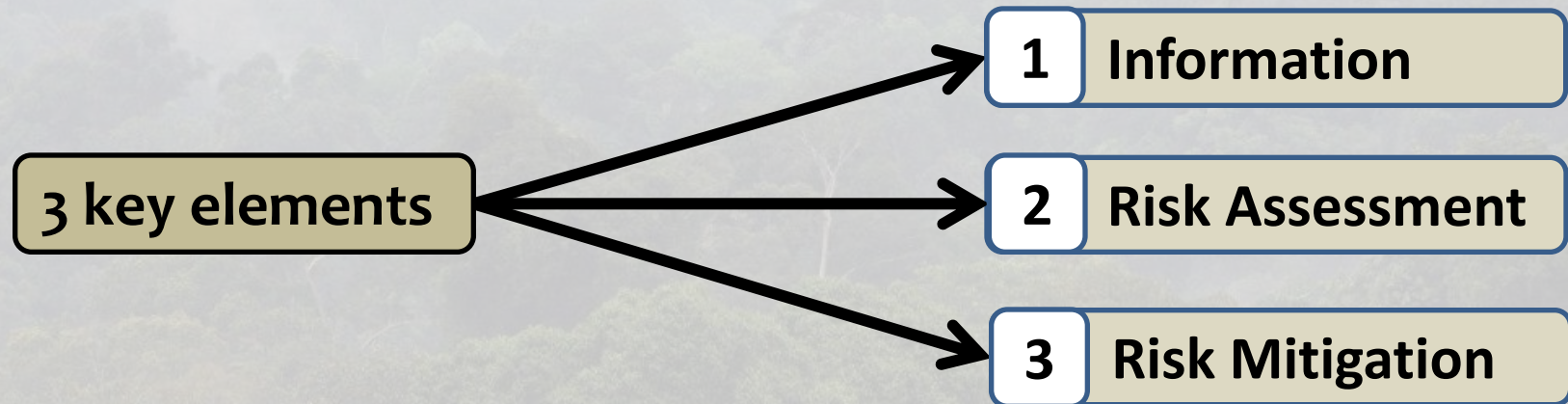
not covered
by the EUTR

Operators and Traders need information from their Suppliers to ensure that they comply with the EUTR

EUTR – Due Diligence System

Due Diligence System =

A framework of procedures designed to minimise the risk of placing illegally harvested timber, or timber products, on the EU market.



EUTR – Due Diligence System

1

Information

Description of timber
and timber products

Documents and information

Gather information along
the supply chain from
suppliers or forest managers

Name and address
of supplier

Documents and information

Collect documents / other
information to show
compliance with applicable
legislation in harvest country

Example

EUTR – Due Diligence System

2

Risk Assessment

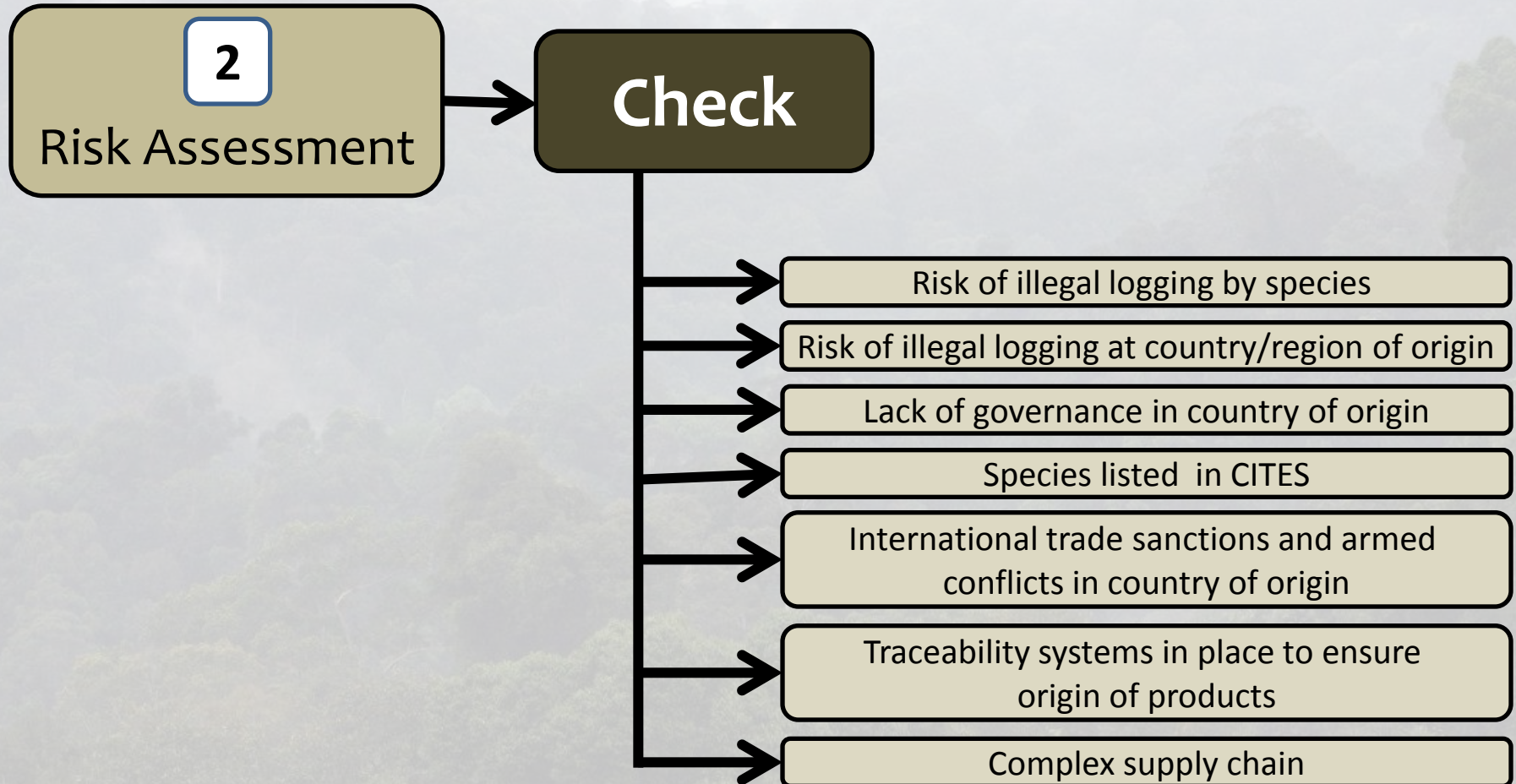
Legal Timber – Products compliant
with FLEGT VPA and CITES

Assurance of compliance
with applicable legislation

Prevalence of illegal harvesting
of specific tree species

Risk of illegal harvesting, bans, armed
conflict or sanctions in harvest country

EUTR – Due Diligence System



EUTR – Due Diligence System

3

Risk Mitigation

**If there is a risk that
illegal timber is in the
supply chain:**

Put in place:

- adequate measures; and
- proportionate measures; and
- procedures
to minimise the risk effectively

Example

Ask for more information and documentation

Develop a responsible sourcing programme –
work with suppliers to map out the supply chain,
identify critical points and actions to
address illegal logging

Use Certification or other third party verified
schemes that include verification of compliance
with applicable legislation

Reduce the complexity of the supply chain

European Union Timber Regulation (EUTR)

Enforced by Competent Authorities appointed by each EU State

Penalties will be set by each EU Member State

These must be effective, proportionate and dissuasive.

They may include:

Fines

Proportionate to:

- Cost of environmental damage caused;
- Loss in tax;
- Economic detriment; and
- Value of the timber or timber product.

Seizure

Of timber or timber products

Suspension

Of authorisation to trade (immediate)

Disclaimer

It is hoped that the information presented will give you the confidence to demonstrate due diligence - and in turn help your customer to do the same

Persons seeking legal advice on compliance should consult with a legal professional.

No liability whatsoever resulting from this training can be accepted by the trainers or those who developed these materials.