

**Changes to due diligence submissions under the EU
Timber Regulations**
**National Measurement and Regulation Office / Regulatory
Delivery Directorate**
(Department for Business, Innovation and Skills)
RPC rating: validated

Description of proposal

Businesses that seek to place timber products on the market are required to undertake due diligence of the supply chain. Evidence of this can be requested by the regulator. The change will mean that, in future, businesses that are served notices of remedial actions will only be required to confirm appropriate systems are in place and will be applied in future, instead of having to apply retrospective due diligence.

Impacts of proposal

The proposal will only have a material effect on businesses that receive a notice of remedial action. The regulator issues between ten and twenty notices each year. On the basis of industry estimates, the regulator expects the change to save each business receiving a notice around 21 hours of work, at a rate of £31.50 (including non-wage labour uplifts). This would give a mid-point benefit of £10,000 each year based on an average 15 notices being issued. These benefits will only accrue to non-compliant businesses and, therefore, will not score for the business impact target. The volume of notices issued will need to be reflected in the regulator's non-qualifying regulatory provisions summary.

The RPC verifies the estimated equivalent annual net direct cost to business (EANCCB) of the changes to process for administering the penalties of zero. This will be a qualifying regulatory provision that will score under the business impact target.

Quality of submission

The Department has provided sufficient information to support the estimated EANDCB. However, the assessment would have benefited from including

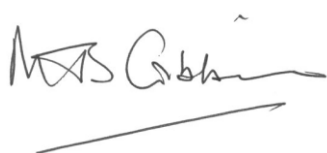
information on the extent to which compliant businesses may receive notices of remedial action. For example, it is not clear whether such notices are only issued once non-compliance has been proved or whether they have a lower burden of proof. Given the low numbers affected, it does not appear that such instance would be likely to affect the EANDCB.

Departmental assessment

Classification	Qualifying regulatory provision (OUT)
Equivalent annual net cost to business (EANCB)	Zero
Business net present value	Not quantified
Societal net present value	Not quantified

RPC assessment

Classification	Qualifying regulatory provision (OUT)
EANCB – RPC validated ¹	Zero
Business Impact Target (BIT) Score ¹	Zero
Small and micro business assessment	Not required (deregulatory)



Michael Gibbons CBE, Chairman

¹ For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.