

**EXPLANATORY MEMORANDUM FOR EUROPEAN UNION
LEGISLATION/DOCUMENTS WITHIN THE SCOPE OF THE UK/EU WITHDRAWAL
AGREEMENT AND THE WINDSOR FRAMEWORK**

COM(2025) 652 FINAL

**REGULATION (EU) 2025/2650 OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL OF 19 DECEMBER 2025 AMENDING REGULATION (EU) 2023/1115 AS
REGARDS CERTAIN OBLIGATIONS OF OPERATORS AND TRADERS**

Submitted by Department for Environment, Food and Rural Affairs on the 20 January 2026.

SUBJECT MATTER

1. This Explanatory Memorandum (EM) sets out details of Regulation (EU) 2025/2650, which amends Regulation (EU) 2023/1115 as regards certain obligations of operators and traders.
2. Regulation (EU) 2023/1115 - the European Union's (EU) Regulation on Deforestation-free Products (EUDR) - entered into force on 29 June 2023. The EUDR aims to curtail the availability and consumption of products that contribute to deforestation or forest degradation on the EU Single Market. It places due diligence measures on seven core commodities (soya, palm oil, coffee, cocoa, cattle, rubber, and wood) and certain derived products of these commodities.
3. The EU's Information System must handle all IT transactions for products covered by the EUDR that are initiated by enterprises in scope. The Commission designed the system based on the Trade Control and Expert System (TRACES), the Commission's online platform for animal and plant health certification set up according to the Commission Implementing Regulation (EU) 2019/1715 laying down rules for the functioning of the information management system for official controls and its system components.
4. Regulation (EU) 2024/3234 of the European Parliament and of the Council of 19 December 2024 postponed the application dates of the EUDR by 12 months to 30 December 2025, for large and medium enterprises, and 30 June 2026, for micro- and small enterprises.
5. Regulation (EU) 2025/2650 further postpones the application dates of the EUDR by another 12 months to 30 December 2026, for large and medium enterprises, and 30 June 2027, for micro- and small enterprises.

- 6.Regulation (EU) 2025/2650 simplifies the obligations of micro- and small primary operators, downstream operators – definition provided in Paragraph 14 – and traders as regards the submission of due diligence statements, thereby delivering simplifications and cost-efficient improvements to the EUDR alongside reducing the load on the Information System ensuring its operability.
- 7.Regulation (EU) 2025/2650 also requires that, by 30 April 2026, the Commission shall carry out a simplification review of the EUDR and on this basis present a report to the European Parliament and to the Council, accompanied, where appropriate, by a legislative proposal. The review shall assess the EUDR's impact and administrative burden, in particular for micro- and small operators.
- 8.The amendments to the EUDR have been made to reduce traffic within the information System and improve its functionality, remove unnecessary regulatory burdens for business and reduce administrative burden on downstream actors and micro- and small primary operators.

SCRUTINY HISTORY

- 9.The Parliamentary Scrutiny history relevant to this EM is contained in Annex A.

MINISTERIAL RESPONSIBILITY

- 10.Responsibility lies with the Secretary of State for the Department for Environment, Food and Rural Affairs.

INTEREST OF THE DEVOLVED GOVERNMENTS (DGs)

- 11.The Devolved Governments have an interest in this policy area. They were consulted during its development and raised no objections, confirming they were content with the preparation of the EM.

LEGAL AND PROCEDURAL ISSUES

12.

i. EU Legal Basis

- Since the objectives of Regulation (EU) 2025/2650, to simplify certain reporting obligations and streamline timelines while preserving the objectives of Regulation (EU) 2023/1115, cannot be achieved by the Member States but can only be achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in **Article 5 of the Treaty on European Union**. The principle of subsidiarity means that, in areas which do not fall within its exclusive competence, the EU can act only if, and insofar as,

the objectives of the proposed action cannot be sufficiently achieved by the Member States, either at central level or at regional and local level, but can rather, by reason of the scale or effects of the proposed action, be better achieved at EU level. In accordance with the principle of proportionality as set out in that Article, Regulation (EU) 2025/2650 does not go beyond what is necessary in order to achieve the objectives of Regulation (EU) 2023/1115.

- The legal basis of Regulation (EU) 2025/2650 is Art. 192(1) of the Treaty on the Functioning of the European Union.

ii. **Voting**

- Qualified majority voting

iii. **Timetable for adoption and implementation**

- In view of the urgency to adopt targeted simplifications as well as to delay the entry into application of Regulation (EU) 2023/1115, it was considered to be appropriate to invoke the exception to the eight-week period provided for in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union. Regulation (EU) 2025/2650 was published in the Official Journal of the European Union on 23 December 2025 and came into force on 26 December 2025. This ensured that it took effect before the previous application date of Regulation (EU) 2023/1115 (30 December 2025).

POLICY AND LEGAL IMPLICATIONS

13. Regulation (EU) 2025/2650 amends Regulation (EU) 2023/1115:

- the provisions of the EUDR now apply from 30 December 2026 for medium and large enterprises and 30 June 2027 for micro- and small enterprises
- the obligations to undertake due diligence and submit the required due diligence statement now fall exclusively on the operators who first place a relevant product on the EU market or first export it
- downstream operators and traders are no longer required to submit due diligence statements, and only the **first** downstream operator or trader must keep and pass on the due diligence statement reference number of the associated product
- micro- and small primary operators from low-risk countries are required to submit a one-off simplified declaration
- the general review date for the EUDR is postponed by two years to 30 June 2030 and a new simplification review must be undertaken by 30 April 2026
- the electronic interface, based on the EU Single Window Environment for Customs, established by Regulation (EU) 2022/2399 of the European Parliament and of the Council, shall be in place by 1 December 2029

- the transition of obligations under the EU Timber Regulations (EUTR, Regulation (EU) No 995/2010, is amended in line with the 1-year delay to the application of the EUDR, meaning that the EUTR will continue to apply until it is replaced by EUDR
 - the definition of micro, small and medium-sized enterprises is amended to clarify that the legal form should not be relevant for the purpose of determining whether a natural or legal person falls within that definition
 - certain printed products (such as books, newspapers, printed pictures) are removed from the scope of the EUDR
14. Regulation (EU) 2025/2650 amends certain obligations of operators, those who first place relevant products on the EU market or export them, and traders, those who subsequently make relevant products available on the market, under the EUDR. It also formally introduces 'downstream operators', a new category of enterprises, who are able to benefit from simplifications to EUDR. These are natural or legal persons who, in the course of a commercial activity, place on the market or export relevant products made using relevant products, all of which are covered by a due diligence statement or by a simplified declaration.
15. The aim of the amendments is to simplify reporting requirements, reduce the number of due diligence statements submitted, and ease the load on the EU's Information System to ensure its operability. The amendments maintain the objectives of the EUDR that commodities placed on the EU market, such as cattle, wood, cocoa, soya, palm oil, coffee, rubber, and their derivatives are deforestation-free and legally sourced.
16. The delayed application date for the EUDR allows third countries, Member States, operators and traders to be fully prepared. The delay, taken alone, is not considered to have any substantive impact, other than to provide for a longer transition period for businesses.
17. Under Regulation (EU) 2025/2650, both downstream operators and traders are no longer required to submit due diligence statements and ascertain that due diligence was exercised, unless substantiated concerns are raised on the product or commodity in scope. This significantly reduces administrative reporting requirements for downstream actors and their interactions with the Information System, thereby reducing the traffic on the system.
18. Large downstream operators and traders are still required to register in the Information System. Downstream operators and traders shall collect and keep relevant information relating to the relevant products they intend to place or make available on the market or export. However, the obligation to collect and keep the reference numbers of the Due Diligence Statements or the declaration identifiers

associated with those products only applies to the **first** downstream operator or trader, which means their supplier is an operator.

19. To further reduce administrative reporting requirements, a new sub-category of 'micro and small primary operators' is established. These are micro and small enterprises in low-risk countries who produce and place relevant products on the market or export them. These operators are exempt from submitting due diligence statements. Instead, they can submit a one-time simplified declaration to the Information System. This includes geolocation or postal addresses of all plots of land where commodities are produced. If a micro- or small primary operator submits a simplified declaration to the Information System, they receive a declaration identifier to accompany all relevant products they place on the market or export. It is appropriate to exempt micro- or small primary operators from the obligation to submit a simplified declaration, where the required information is already available in an alternative system or database established under Union or Member State legislation. Member States shall make available the relevant data in the Information System. The micro- or small primary operator shall place the relevant products on the Union market or export them only after having been assigned a declaration identifier.
20. The reduction in administrative requirements on downstream operators and traders, and micro- and small primary operators, will enhance the ability of competent authorities to process data and exchange relevant information more effectively. The European Commission notes that the simplification of administrative requirements, including reporting requirements, does not impact the substance of the policy objectives.
21. The general review date for the EUDR is postponed by two years and must be carried out by 30 June 2030, allowing time to assess the impact of these amendments on the objectives of the EUDR.
22. Ahead of the general review of the EUDR, in the interest of simplification for operators and traders, the Commission is required to carry out a simplification review of the EUDR and must present a report by 30 April 2026. The recitals to Regulation (EU) 2025/2650 indicate that the report should evaluate the administrative burden and impact of the EUDR, in particular for micro- or small operators. Furthermore, in the report, the Commission should indicate possible ways to address the identified issues, including through technical guidelines, improvements to the IT system, and delegated or implementing acts in accordance with the delegation of powers provided for in Regulation (EU) 2023/1115, and, where appropriate, should accompany the report with a legislative proposal.
23. Regulation (EU) 2025/2650 adjusts the timescale for the electronic interface, based on the European Union Single Window Environment for Customs, established by

Regulation (EU) 2022/2399 of the European Parliament and of the Council, to be in place. A delay until 1 December 2029 allows time for further preparation of the system. The Commission shall develop this system to enable the transmission of data between national customs systems and the EUDR's Information System.

24. Regulation (EU) 2025/2650 adjusts the timescale for the transition of obligations under the EUTR, in line with the delay to the application of the EUDR. Therefore, the EUTR will continue to apply until it is replaced by EUDR.
25. Regulation (EU) 2025/2650 provides legal clarity that all micro, small and medium-sized enterprises, irrespective of their legal form, can benefit from the simplified provisions for micro, small and medium-sized enterprises in Regulation (EU) 2023/1115. The definition of micro, small and medium-sized enterprises is amended to clarify that the legal form should not be relevant for the purpose of determining whether a natural or legal person falls within that definition.
26. Regulation (EU) 2025/2650 removes certain printed products from being in scope of the EUDR (HS Code ex 49 Printed books, newspapers, pictures and other products of the printing industry, manuscripts, typescripts and plans, of paper). This amendment will remove any obligations on businesses trading in these products to comply with the EUDR.
27. The delay to the EUDR and simplifications laid out in Regulation (EU) 2025/2650 will ease pressures on the resources of Competent Authorities. In particular, the removal of the requirement for downstream operators and traders to ascertain due diligence and submit a due diligence statement to the EU's Information System will ease pressure on businesses and Competent Authorities.
28. To facilitate its dual access to the UK Internal Market and the EU Single Market, certain EU regulations apply in Northern Ireland. The terms of Article 13(3) of the Windsor Framework therefore apply to this delaying instrument, subject to the democratic scrutiny mechanisms in Schedule 6B of the NI Act 1998. The Government will provide more guidance for businesses on the approach to deforestation policy across the UK as soon as possible.
29. It should be noted that Regulation (EU) 2025/2650 sits alongside the UK Government's efforts to take action to ensure the UK consumption of forest risk commodities is not driving deforestation. The UK Government will continue to monitor the progress of the application of the EUDR.

CONSULTATION

30. Since the adoption of Regulation (EU) 2023/1115 (EUDR) in June 2023, the European Commission has engaged extensively with stakeholders. This

engagement has directly informed the amendments, including simplifications of reporting requirements and revised implementation and enforcement timelines outlined in this explanatory memorandum. The EU has provided its own impact assessment for the EUDR. This includes a summary of the EU-run consultation. A number of guidance documents and replies to frequently asked questions are published online. The Commission will continue to facilitate the implementation of the EUDR by issuing further relevant guidelines and developing best practices.

31. Input and feedback received from competent authorities and a variety of stakeholders preparing for the application of the EUDR have also been considered by the European Commission as part of an assessment of how reporting requirements could be lowered while maintaining the objectives of the EUDR.
32. Further feedback on the EUDR was obtained as part of the outreach of European Commission services in bilateral meetings as well as through a Call for Evidence titled “Simplification of administrative burdens in environmental legislation”, which launched on 22 July and ended on 10 September 2025. The European Commission report that both private and public respondents emphasised the need for simplification, proportionality, and legal clarity, with some requesting a postponement due to unprepared IT systems, guidance, and risk benchmarking.
33. The EU’s Information System became available for registration on 6 November 2024 and was officially launched on 4 December 2024, enabling enterprises to begin submitting due diligence statements. To support stakeholders, the Commission has provided guidance materials, including a User Guide and training videos. Online training sessions have been available since October 2024, reaching over 20,000 stakeholders through 67 sessions by the end of September 2025.

FINANCIAL IMPLICATIONS

34. Further analysis, including of the outcome of the simplification review by 30 April 2026, is required to accurately assess the financial impact on business and Government of Regulation (EU) 2025/2650.



MARY CREAGH CBE MP
PARLIAMENTARY UNDER-SECRETARY OF STATE (MINISTER FOR NATURE)
DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS

ANNEX A

PARLIAMENTARY SCRUTINY HISTORY RELEVANT TO A:

REGULATION (EU) 2025/2650 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 19 DECEMBER 2025 AMENDING REGULATION (EU) 2023/1115 AS REGARDS CERTAIN OBLIGATIONS OF OPERATORS AND TRADERS

EM 14151/21+ ADD 1-7: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE MAKING AVAILABLE ON THE UNION MARKET AS WELL AS EXPORT FROM THE UNION OF CERTAIN COMMODITIES AND PRODUCTS ASSOCIATED WITH DEFORESTATION AND FOREST DEGRADATION AND REPEALING REGULATION (EU) NO 995/2010

DEFRA EM DATED: 12/04/2022

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
CLEARED BY HOC LETTER DATED 29/11/23. SCRUTINY NOT COMPLETED (OUTCOME AGENDA 39 12/7/23) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 17 7/12/22) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 9 7/9/22) SCRUTINY NOT COMPLETED (OUTCOME AGENDA NO 1 11/5/22)	SIFTED FOR SCRUTINY TO THE PROTOCOL ON IRELAND/NORTHERN IRELAND SUB-COMMITTEE (AT CHAIR'S SIFT NO 18; 16/5/22)

EM 11449/19: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS: STEPPING UP EU ACTION TO PROTECT AND RESTORE THE WORLD'S FORESTS

DATE EM SIGNED: 08/08/2019

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
NOT IMPORTANT CLEARED (AGENDA FOR REPORT NO 74; 2/10/2019)	CLEARED BY HOL LETTER 31/1/2020 NOT CLEARED, SIFTED FOR EXAMINATION TO ENERGY AND ENVIRONMENT (CHAIRMAN'S SIFT 1752 - 5/09/2019)

EM 13228/18, COM(668): REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL REGULATION (EU) NO 995/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 20 OCTOBER 2010 LAYING DOWN THE OBLIGATIONS OF OPERATORS WHO PLACE TIMBER AND TIMBER PRODUCTS ON THE MARKET (THE EU TIMBER REGULATION)

DATE EM SIGNED:23/10/2018

SCRUTINY COMMITTEES' RECOMMENDATIONS:

COMMONS	LORDS
COMPLETED SCRUTINY ON 14/11/2018 IN REPORT 44, 17/19 AS NOT RAISING SUFFICIENT ISSUES OF INTEREST TO WARRANT A SUBSTANTIVE REPORT TO THE HOUSE	COMPLETED SCRUTINY AT CHAIR'S SIFT 1712 ON 7/11/2018