

WHAT IS EUTR?

Placing timber from illegally harvested forests and products derived from such timber will be prohibited in the European Union from 3 March 2013. The law which has enshrined this is EU995 or, more commonly, the EU Timber Regulation (EUTR).

What is Illegal Logging?

The definition of legal timber is based on the law of the country of harvest. It can be described as forestry practices or activities connected with wood harvesting, processing and trade that do not conform to law. Illegalities occur right through the chain from source to consumer, the harvesting procedure itself may be illegal, including corrupt means to gain access to forests, extraction without permission or from a protected area, cutting of protected species or extraction of timber in excess of agreed limits. Illegalities may also occur during transport, including illegal processing and export as well as mis-declaration to customs, before the timber enters the legal market.

Operators who place wood based products for the first time in the EU market, as well as traders to whom such products have been supplied within the EU, will need to understand and implement the required measures to comply with this legislation.

What is the EU Timber Regulation?

Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010, also known as the “EUTR”:

1. Prohibits operators to place illegally harvested timber and products derived from such timber on the EU market;
2. Requires EU operators who place timber products on the EU market for the first time to exercise 'due diligence'; and
3. Once products are on the market, requires traders of products to keep records of their immediate suppliers and buyers.

Who is affected by the EUTR?

Operators are those who place timber products in the EU market for the first time. For example, operators are importers, retailers or manufacturers that directly import wood based products and forest managers that supply timber from an EU based forest.

Operators are responsible under EUTR to ensure that no illegal timber enters the supply chain.

Traders are those that buy and/or sell wood based products that were already placed in the EU market (by an Operator).

Obligations

Operators must develop and implement a Due Diligence System including three key elements: Information on product name, species, country of origin and quantity, a Risk Assessment to determine the likelihood that the product comes from an illegal source and Risk Mitigation to ensure that illegally harvested material is removed from the supply chain, by exclusion or by working with the supplier more closely.

Traders only need to keep records of their direct suppliers and their direct customer for all wood based products traded. Individual final consumers are not covered by the legislation.

What products are covered by EUTR?

In short, it is solid wood products, flooring, plywood, pulp and paper

(Recycled products, as well as rattan, bamboo and printed papers such as books, magazines and newspapers are not included but the product scope is subject to future amendment by the EU).

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

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

Enforcement and Penalties

Each Member State has appointed one or more Competent Authorities to coordinate the enforcement of the EUTR. In the UK it is the National Measurements Office (NMO)

Penalties associated with breaking EUTR rules are supposed to be 'effective, proportionate and dissuasive' and will include:

- Fines proportionate to the environmental damage, the value of the timber or timber products concerned and the tax losses and economic detriment resulting from the infringement.
- Seizure of the timber and timber products concerned
- Immediate suspension of authorisation to trade

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