EU-Timber Regulation from an operators view

Timber Regulation Enforcement Exchange
17th September 2015
Responsibilities in the company group

- Due Diligence System - DDS acc. art. 4 & art. 6 EU TR
  ≠ handling of illegal wood
  - collecting relevant information
  = reasonable documentation „what / from where / whereto“

- traceability of timber products acc. art. 4 & art. 5 EU TR
EU-TR Preparation

Information to suppliers – Work Shops
Producer Workshop in China May 2012
Trader Workshop in Denmark October 2012

Goal

Information about the EU-Timber Regulation
How to handle this
Due Diligence System - DDS
EU-TR DDS System – Information gathering

Step 1

Which items are in the EU-TR Scope?

Daily „Job“ in our central IT System – if orders for items with HS Code in EU-TR Scope are placed then the proces in automatic stated

ANNEX

Timber and timber products as classified in the Combined Nomenclature set out in Annex I to Council Regulation (EEC) No 2658/87 (1), to which this Regulation applies

— 4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles, sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
EU-TR DDS System – Information gathering

EU-TR – Statement from Suppliers

Information regarding:

- Wood: Tree species / full scientific name
- Country / region of Harvest
- Quantity
- Supply Chain overview
EU-TR DDS System – Information gathering

EU-TR HolzSiG – Statement from Suppliers - Supply Chain overview for each wood source
EU-TR DDS System – Risk

Step 2 - EU-TR – Risk Evaluation

BW EU-TR risk assessment

supplier: 

item no.: item name: customs code: 

1) information’s (VO EU-TR 995/2010 - Art. 6 (1) lit. a)

EU-TR Statement 1 and attachments received underlined? MUST HAVE requirement bevor risk assessment

Are following documents for all manufacturers/factory sides and wood types, in German or English send or marked with understandable advises in German or English?

- harvesting license +15 highest goal of the EUTR – legal harvested wood +5 if translated
- transport documents + 5 suitable to show legal supply chain +5 if translated
- saw mill license + 5 suitable to show legal processing with the raw material +5 if tran.
- supply-chain overview 100% + 5 if 100% overview < lower risk of handling illegal wood +5 if transl.
- FSC/PEFC concerned to item +30 suitable to reduce the risk of illegal wood serious

2) risk assessment¹ (VO EU-TR 995/2010 - Art. 6 (1) lit. b)
EU-TR DDS System – Risk

EU-TR – Risk Evaluation

Information search

https://www.transparency.de/Tabellarisches-Ranking.2574.0.html

Risikoidizes
Im Rahmen der Risikobeurteilung (VO EU-TR 995/2010 - Art. 6 Abs. 1 lit b)

Übersicht Risikoholzarten

- http://www.bfn.de/0305_holz.html

Feststellung Holzart/-herkunft

- Thünen-Institut für Holzforschung
  Leuschnerstraße 91d
  D-21031 Hamburg
  http://www.ti.bund.de/no_cache/de/startseite/startseite/thuennen-kompetenzzentrum.html

- Institut für Holztechnologie Dresden
  Zellescher Weg 24
  D-01217 Dresden
  http://www.ihd-dresden.de/

Bewaffnete Konflikte

- AKUF (Hamburger Arbeitsgemeinschaft Kriegsursachenforschung)
  http://www.wiso.uni-hamburg.de/fachbereiche/sozialwissenschaften/forschung/akuf/laufende-kriege/

- AA (Auswärtiges Amt)
  http://www.auswaertiges-amt.de/DE/Laenderinformationen/SicherheitshinweiseA-Z/Laenderauswahlseite_node.html

Embargos / Ein-/Ausfuhrsanktionen

- BAFA (Bundesamt für Wirtschaft und Ausfuhrkontrolle)
  http://www.ausfuhrkontrolle.info/ausfuhrkontrolle/de/embargos/index.html
EU-TR DDS System – Risk

EU-TR – Risk Evaluation

2) risk assessment¹ (VO EU-TR 995/2010 - Art. 6 (1) lit. b) from every state of the world as legal

<table>
<thead>
<tr>
<th>wood type (bot.)</th>
<th>weigh of wood (in kg)</th>
<th>risky wood CITES</th>
<th>country of origin / region</th>
<th>CPI index</th>
<th>weaponed conflicts / (civil) wars</th>
<th>embargos sanctions</th>
<th>import / export sanktions</th>
<th>level of complexity supply chain</th>
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Buyer to sign the EU-TR-R (R = Risk Evaluation)

The Information in the EU-TR Statement is compared to all other information the buyer got

The EU-TR-R is confirmed by the buyer

3) minimizing the risk (VO EU-TR 995/2010 - Art. 6 (1) lit. c) decision by signature person
EU-TR DDS System – Risk

Sorgfaltspflichtregelung (Art. 4 i.V.m. Art. 6 EUTR)

- scan bar code Ablage
- Integration in Business Warehouse
EU-TR DDS System – Information gathering

Step 3 - EU-TR – Risk Mitigation

It is Important that the risk Analysis is

- Neutral
- Objective
- Can be understood and checked by external

Risk Analysis – depending on the result/score – 3 outcomes

- Can be imported
- Can not be imported
- Further external mitigation /analysis is needed (Partner The Forest Trust)
  - Can be imported
  - Can not be imported
EU-TR DDS System – Information gathering

Step 3 - EU-TR – Risk Mitigation

Additional random checks – we want to check the quality of our own DDS and have a second opinion.

We want =>

10% of all items has to be checked by The Forest Trust – even if our DDS result are „can be imported“

10% of all items to have their documents cross translated

5% of all wood used to be analysed

In order to make sure
- We get a second opinion on our risk Evaluation
- The check the quality of the documentation we get
- Does the supplier deliver as promised

If problems/errors are found the amount of checks will increase / business with supplier to be terminated
Sorgfaltspflichtregelung (Art. 4 i.V.m. Art. 6 EUTR)

- Prüfung der Daten in Kooperation mit TFT
  http://www.tft-forests.org
The Forest Trust - SURE

Sorgfaltspflichtregelung (Art. 4 i.V.m. Art. 6 EUTR)

- Risikobewertung der Daten via Due Diligence System (DDS) des TFT TFTsure

- Risikokriterien?
  - Ursprungsland
  - Botanischer Name
    - EN 13556:2003
  - Lieferkette
  - Artikelzusammensetzung
  - Zertifizierungen
  - Dokumente
    - FLEGT
    - CITES
  - Plantagen
  - Korruptionsindex
    - transparency international
Sorgfaltspflichtregelung (Art. 4 i.V.m. Art. 6 EUTR)

- Risikobewertung der Daten mit TFTsure

The Forest Trust - SURE
The Forest Trust - SURE

producer

TFT

operator
EU-TR from an operators view

Overview

1. Preparation
   => Supplier / Trader Information Workshop

2. System Logic
   => Automatic HS Code Check
   => „No Import“

3. Information gathering
   => Automatic Information request

4. Risk Analysis
   => Transparent / Objective
   => Can/Can not Import
   => The Forest Trust if needed

5. Risk Mitigation – Two goal
   => Item
   => The System (permanently check of our own system)
EU-TR from an operators view

Issues

- wood based materials (MDF etc.)

- legal issues
  => Who is placing on the market? (different legal definitions (blue guide / new legislative framework))
  => non-harmonized market surveillance
  => Operator Definition
    - Market surveillance – same item...

28 member states = 28 Imports = 28 Market Surveillance (with different EU-TR understanding)...

1.000 Imports in one country = 1.000 DDS

Same Item – Different Market surveillance