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EU Deforestation: SME relief measures and obligations



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Relevant for micro, small, and medium (primary/downstream) operators

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While the EUDR establishes a high level of environmental protection, it also recognises that companies differ significantly in terms of size, capacity, supply-chain complexity, and risk exposure. To enable effective, proportionate, and practical implementation, the regulation and its implementation framework provide for several relief measures. Taken together, these five relief categories aim to create a balanced, practical, and risk-based pathway to EUDR compliance. They are designed to support companies in meeting their obligations responsibly, without compromising the regulation's objectives.

Five key simplification measures and obligations

1

Company size and supply chain role relief

Smaller and medium-sized companies often have fewer resources than large operators. Company size relief acknowledges these differences by allowing:

- adjusted implementation timelines,
- simplified documentation or
- reporting requirements

for micro, small and medium enterprises, while still ensuring deforestation-freeness.

2

Timing relief

The EUDR foresees transitional periods and differentiated implementation timelines for certain categories of operators. Timing relief provides:

- structured time extensions, and
- phased introduction of obligations

to give companies sufficient time to set up due diligence systems, map their supply chains, and implement geolocation and traceability tools.

3

Country benchmarking relief

The EUDR includes a country benchmarking system that classifies countries or regions as low-, standard-, or high-risk with regard to deforestation. When sourcing from low-risk countries, benchmarking relief allows for:

- simplified due diligence requirements

This approach reduces administrative burdens for operators sourcing from low-risk countries.

4

Raw material relief

Not all materials or products linked to the EU Deforestation Regulation fall within its scope. In specific cases—such as

- recycled materials
- products produced before the cut-off date, or
- components not covered by the regulation

— raw material relief applies, and these materials are considered out of scope. As such, they do not require due diligence statements or a risk assessment.

5

Governance relief

Operators may mandate an authorised representative to submit the due diligence statement (DDS) pursuant to Article 4(2) on their behalf.

1 Company size and supply chain role relief

The regulation provides for differentiated **relief measures across the supply chain**, taking into account the role and risk profile of operators. These include relief for primary operators established in low-risk countries, for first downstream operators, and for traders, with proportional requirements applying to SMEs and non-SMEs.

(Micro and Small) Primary operators in low-risk countries (Article 4a EUDR) benefit from simplified due-diligence and reduced administrative requirements, reflecting their lower risk profile. They only need to submit one-time a simplified declaration (with annual quantity estimates) in TRACES. They are also allowed to submit a postal address instead of geolocation data plus estimated yearly quantities instead of batches.

First downstream operators and traders (Article 5 EUDR) may rely on due-diligence information already conducted upstream, limiting duplication of obligations. They only have to collect and store the reference numbers and their direct trading partners (upstream and downstream).

Further downstream operators and traders (Article 5 EUDR) are subject to reduced obligations. They are not required to submit a DDS or conduct risk assessment processes. They are not required to store reference numbers but collect and keep supplier and downstream partner information. Large traders must additionally be registered at TRACES.

Application of the regulation is staggered according to enterprise size, **with medium and large companies required to comply from 30 December 2026**, while **micro and small operators benefit from an additional six-month transition period**, until 30 June 2027. For the purpose of determining the applicable obligations and timelines, company size is assessed based on the status of 31 December 2024, in line with the [EU definition](#).

Simplified due diligence for micro and small primary operators: Micro and small primary operators (i.e., the smallest category by size) benefit from a simplified process: instead of full due diligence documentation, they submit a one-off simplified declaration, reducing the administrative effort required from the smallest enterprises.



Relevant articles for relief

- Company Size Relief Article 5(2-4)
- Supply Chain Role Relief (Article 5)
- Timing Relief (Article 37 + 38)
- Raw Material Relief (Annex I)
- Country Benchmarking Relief (Article 13)
- Governance Relief (Article 6)

2 Timing relief

No EUDR obligations for legacy products (cut-off rule)

The EUDR establishes a cut-off rule for legacy products: any product listed in Annex I that was produced or harvested before 31st December 2020 (Article 13(a)) falls outside the scope of the regulation. This provision ensures that products already on the market prior to the regulation's applicability are not retroactively subject to due diligence obligations, providing temporary relief and legal certainty for existing stocks.

Import before the EUDR obligations

Operators and traders must retain conclusive and verifiable evidence that the relevant raw material was placed on the market before EUDR became applicable (30 December 2026/ 30th June 2027). Operators importing products to the EU market before the applicable EUDR deadlines must retain clear, verifiable, and conclusive evidence demonstrating that the relevant raw materials or products were introduced prior to the regulation taking effect (30 December 2026/ 30th June 2027).



3 Country benchmarking relief

Under Article 13 of the EUDR, operators may benefit from a significant simplification when placing relevant products on the EU market or exporting them. Operators are not required to carry out the due diligence obligations set out in Articles 10 and 11, provided that all of the following conditions are met:

- **The operator has assessed:** the complexity of the supply chain, and the risk of circumvention of the regulation or the risk of mixing with products of unknown origin or from high- or standard-risk countries. Based on this assessment, the operator has confirmed that all relevant commodities and products originate exclusively from countries or regions classified as low risk, in accordance with Article 29 (Country Benchmarking).
- **For products sourced entirely from low-risk countries:** No risk assessment is required and no risk mitigation measures are required. The simplification only applies if there is no indication of circumvention or mixing risks within the supply chain.

The official list of countries and regions classified as low, standard, or high risk under the EUDR is available [here](#).

4 Raw material relief

The EUDR provides specific reliefs for certain categories of materials, recognising that some materials carry a lower risk of contributing to deforestation. The following sections outline the particular cases and conditions under which these materials-related reliefs apply:

Key principles of the raw material relief

- Due diligence is required only for the **primary raw material** listed in Annex I of the EUDR (Example: For chocolate, due diligence applies to cocoa, but not to palm oil used as an ingredient)
- Products made exclusively from **completed-life cycle materials** are exempt from the EUDR. This includes products composed of 100% recycled relevant commodities (e.g. recycled wood or recycled leather).
- **Rental** of relevant products that are not typically made available on the market is excluded.
- **Packaging materials**, pallets and second-hand goods are not covered by the Regulation if they are not sold as a product itself.
- **Products classified under ex49 in Annex I** are explicitly excluded from the scope of the EUDR such as printed books, newspapers, pictures and other products of the printing industry.
- **Samples are excluded** – Small quantities of products intended solely for testing, demonstration, or evaluation purposes are not subject to EUDR due diligence obligations.

Important limitation:

- If a product contains any amount of non-exempt relevant commodity, the exemption does not apply.
- By-products from manufacturing processes are not exempt if the input material was not classified as waste (**Example:** Cocoa shells generated during cocoa processing do not qualify for the exemption)

Certification limited relief

Certification schemes can provide supporting evidence under the EU Deforestation Regulation (EUDR), but they offer only limited relief and do not replace mandatory requirements. Credible third-party certifications may support a company's risk assessment under Article 10, the legality aspect, and help demonstrate robust supply-chain governance, thereby contributing to the substantiation of a low-risk profile and, in practice, simplifying certain elements of the verification process.

However, certification schemes do not replace or reduce the core due diligence obligations set out in the regulation and do not constitute compliance on their own. Regardless of certification status, operators remain fully responsible for collecting geolocation data, verifying legal compliance, conducting risk assessments, implementing risk mitigation where necessary, and submitting a due diligence statement. Certification may therefore strengthen and support EUDR compliance, but it does not provide an exemption from the regulation's requirements.

No relief

The EUDR does not grant exemptions based on commodity, region, or producer type. All relevant products and supply chains remain subject to the regulation's requirements.

The regulation also does not provide financial support, fee reductions, or cost-sharing. Assistance may come from external programmes or initiatives such as Fairtrade projects and HREDD funding for geolocation collection, as well as geolocation checks and training included in Fairtrade standard services.

Geolocation collection remains mandatory for all operators except primaries. They must provide coordinates for plots for the relevant raw materials.



5 Governance relief

Operators or traders may mandate an authorised representative to submit the DDS pursuant to Article 4(2) on their behalf.

In case of microenterprise or a natural person this can be even the next operator or trader further down the supply chain which is not a microenterprise or a natural person. The delegating enterprise still remains fully responsible for their EUDR compliance of the relevant product. The mandating operator or traders requirements under the regulation must be applied and complied.

Requirements:

- The authorised operator or trader must be established in the European Union (EORI Number)
- Copy of the mandate in an official language of the European Union



Photo: Fairtrade Sweden



Further guidance material:

SME Trader Obligations,
Decision Tree for Choosing Software,
Flowchart,
Product guide

EUDR readiness with Fairtrade

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