EUDR DDS Guide

This is a guide that covers the EUDR Due Diligence Statement (DDS): what it is, what goes into it, when you need one, who shares it with whom, and what the rules are at export. For scope, risk assessment, or country classification, see Qarma's companion guides.

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Qarma

Application dates: 30 December 2026 for large and medium operators and for companies already in scope for EUTR. 30 June 2027 for micro and small operators. These are the dates from which EUDR obligations are enforceable. All DDS obligations, customs requirements, and record-keeping rules described in this guide apply from those dates.

Quick-reference summary

Question	Answer
Two roles | Know which one you are	An upstream operator is the first company to place a covered product on the EU market. A downstream operator is everyone who handles a covered product after that first placement.
Who submits a DDS?	Upstream operators only.
Where and when?	EU Information System (TRACES), via direct entry or API. Must be ready before placing on the market or before lodging the customs declaration.
One DDS, multiple shipments?	Yes that is possible. Up to one year and until the declared quantity is used up. After either limit, a new DDS is needed.
What does TRACES return?	A reference number and a verification number (for a DDS). A declaration identifier (for an SD submitted by an MSPO).
Who must receive the reference number?	The direct downstream client, if they are the first downstream operator or trader. Not final consumers or clients further down the chain.
Does that downstream operator pass it further?	No obligation.
What do downstream operators do with it?	Collect it, keep it for 5 years (linked to incoming flows), make available to Competent Authorities on request. Non-SMEs also register in TRACES and must stop placing on the market if a substantiated concern arises until resolved.
At import customs (upstream)	Provide DDS reference number before 'release for free circulation' declaration.
At export customs (upstream)	Provide DDS reference number before export declaration.
At export customs (downstream)	Use the dedicated TARIC certificate code. No DDS.
At re-import customs	Provide original DDS reference number from your supplier. If unavailable (transitional period product or no number received), use the conventional format 99EU9999999999. Evidence of prior EU market placement must be available on demand.

Glossary

These terms are used throughout the guide. If you're new to EUDR, read this section first.

Term	Plain-language meaning
DDS (Due Diligence Statement)	The formal declaration an upstream operator submits to TRACES before placing a covered product on the EU market or exporting it. Certifies that due diligence was done and only negligible risk was found.
SD (Simplified Declaration)	A lighter-touch alternative to the DDS, submitted once by MSPOs instead of per shipment.
TRACES	The EU's Information System where DDS and SD declarations are submitted and managed.
Upstream operator	The first company to place a covered product on the EU market: an importer releasing goods for free circulation, an EU producer selling their own harvest for the first time, or an exporter for products never previously on the EU market. Upstream operators submit the DDS.
Downstream operator	Any company that handles a covered product after an upstream operator has already placed it on the EU market. Downstream operators never submit a DDS. Their obligations are record-keeping and, for non-SMEs, registration in TRACES.
Reference number	The primary identifier returned by TRACES after a DDS is submitted. Used in customs declarations (by upstream operators) and passed to the first downstream client.
Verification number	A secondary identifier returned alongside the reference number. Allows non-SME downstream operators to access and verify the DDS in TRACES.
Declaration identifier	The identifier returned when an MSPO submits an SD. Treated the same as a DDS reference number by downstream operators who receive it.
MSPO	Micro or Small Primary Operator. A small producer in a low-risk country who grows or harvests products themselves and places only their own production on the EU market. Qualifies for simplified obligations including the SD.
TARIC certificate code	A specific code entered in the export customs declaration by downstream operators. Signals to customs that the product is already covered by an upstream DDS.
Placing on the market	Making a covered product available on the EU market for the first time, in the course of a commercial activity.
HS code	Harmonized System code: the international product classification number used in customs declarations. EUDR uses specific HS codes to define which products are in scope.
SME / non-SME	Small and medium-sized enterprise (under 250 staff) vs large company (250+ staff). Registration in TRACES is mandatory for upstream operators and non-SME downstream operators. SME downstream operators do not register and have no TRACES access.
Substantiated concern	A duly reasoned claim based on objective and verifiable information indicating that a specific product may not comply with the EUDR. When one arises, non-SME downstream operators must stop placing the product on the market and verify compliance.

1. What is a DDS?

A Due Diligence Statement (DDS) is a formal declaration submitted by an upstream operator to TRACES before placing a covered product on the EU market or exporting it. By submitting a DDS, the operator declares that they have carried out due diligence and found only negligible risk, or no risk at all that the product violates Article 3 of the EUDR.

Only upstream operators submit a DDS. Downstream operators do not. Their obligations focus on collecting and keeping the reference number they receive from their upstream supplier.

DDS vs Simplified Declaration (SD)

Micro or Small Primary Operator (MSPO): a micro or small business, established in a low-risk country, that grows or harvests the products itself, and directly places only its own production on the EU market. All four conditions must be met.

MSPOs submit a one-time Simplified Declaration (SD) instead of a DDS per shipment. TRACES returns a declaration identifier (not a reference number). Downstream operators who receive this identifier have the same obligations as those who receive a DDS reference number.

Source: Art. 2(15a), 3, 4, 4a EUDR | Annex II EUDR | FAQ 3.21, 5th Iteration

2. What is TRACES?

TRACES is the EU's Information System for submitting and managing DDS and SD declarations, operated by the European Commission under Article 33 EUDR. It launched in December 2024.

Who must register

Upstream operators (mandatory). Non-SME downstream operators and traders (mandatory). SME downstream operators <u>do not register and have no access to TRACES.</u> Their obligations sit entirely outside TRACES.

What it stores

DDS and SD data fields as required under Annex II EUDR.

What it returns

For a DDS: a reference number and a verification number, available immediately after submission. For an SD submitted by an MSPO: a declaration identifier (not a reference number).

Geolocation format

GeoJSON only (WGS-84, EPSG-4326). Maximum DDS file size: 25 MB.

Source: Art. 33 EUDR | FAQ 7.9, 7.8, 7.12

3. What goes into a DDS?

The content requirements are set out in Annex II of the EUDR. The key elements are:

Field	What it contains
Operator details	Name, address, and contact details of the submitting operator.
Product description	Description of the relevant product(s) and commodity(ies), including HS code(s).
Quantity	Net mass in kg for most products.
Country of production	Country where the commodity was produced or harvested.
Species (timber)	Scientific name of the species. Mandatory for timber/wood supply chains per Annex II EUDR; voluntary for other commodity categories.
Geolocation	GeoJSON coordinates of all plots of land where the commodity was produced. For plots under 4 hectares, a single coordinate point is recommended. Larger plots require a polygon. The only exception is MSPOs, who may use a postal address instead.

What the DDS does NOT contain

It is a common misconception that all compliance evidence is uploaded to TRACES. It is not. Invoices, certificates, declarations, reports, and risk assessment records are stored by the operator and provided to Competent Authorities on request. TRACES only receives the structured data fields listed in Annex II EUDR.

Source: Annex II EUDR | FAQ 7.6, 7.18, 7.24, 7.27

4. When do you create a DDS?

A DDS must be ready before the customs declaration is lodged (for imports and exports) or before the point of placing on the EU market (for domestic EU products). There is no fixed number of days in advance. The practical constraint is that the full due diligence process must be completed first.

Situation	DDS requirement
Importing into the EU	DDS required before the 'release for free circulation' customs declaration is lodged.
Domestic EU production	DDS required before first placing on the market.
Exporting (upstream operator only)	DDS required before the export customs declaration - only if the product was not already placed on the EU market by another upstream operator before you. See Section 6 for the full export rules.
Quantity of existing DDS exceeded	A DDS can cover multiple batches for up to one year. Once the declared quantity is exhausted, a new DDS is needed for additional quantities.
You are a downstream operator	No DDS. At export, downstream operators use a dedicated TARIC certificate code instead of a DDS reference number. Section 6 explains this in full.
Re-import	No DDS. This is only if you can demonstrate that the product was previously placed on the EU market before being exported. Without that evidence you are treated as an upstream operator and must submit a full DDS. Accepted evidence: customs declarations, invoices, CMRs, bills of lading, delivery notes, felling tickets and more.

Source: Art. 4, 5 EUDR | FAQ 3.1, 3.1.1, 5.4, 5.19, 5.20, 5.21, 9.1, 9.2

5. Sharing the DDS reference number

When a DDS is submitted successfully, TRACES returns two identifiers: a reference number and a verification number. Understanding exactly who must share what, with whom, and under what conditions is central to EUDR compliance.

5.1 What the two identifiers are

Identifier	Purpose and use
Reference number	The primary identifier for the DDS. Used in customs declarations at import and export (by upstream operators), passed to the first downstream client, and kept for 5 years. Can be shared by any means — invoice, email, delivery note, or any documentation accompanying the product.
Verification number	A companion identifier that gives non-SME downstream operators read access to the DDS in TRACES. With both identifiers, a non-SME downstream operator can confirm the DDS exists, check its validity, and (if the upstream operator has enabled it) view the geolocation data.

Source: Art. 4(7) EUDR | FAQ 3.6, 3.6.1

5.2 Who must share the reference number, and with whom

The upstream operator is legally required to proactively pass the DDS reference number to their direct client, if that client is a first downstream operator (Art. 4(7) EUDR). This obligation lies with the upstream operator and not the downstream operator.

The obligation to pass on the number lies with the upstream operator

Downstream operators do not need to proactively ask for the number or investigate whether their supplier is an upstream operator, unless they already have reason to know this.

A downstream operator acting in good faith may presume their supplier is not an upstream operator if no reference number is received.

If a downstream operator knows their supplier is an upstream operator and that supplier fails to provide the number, the downstream operator must not place or make the product available on the EU market.

Source: Art. 4(7), 5(1) EUDR | FAQ 3.5, 3.6.1

An important distinction: first downstream operators vs further downstream clients
If you buy directly from an upstream operator, you are the first downstream operator or trader. You are legally required to receive and keep the reference number they send you (Art. 5(3) EUDR). This is not optional.

If you buy from a downstream operator (meaning your supplier is not the one who first placed the product on the EU market) you will not receive a reference number and do not need one.

Source: Art. 4(7), 5(1), 5(3) EUDR | FAQ 3.5, 3.6.1, 3.8

5.3 What downstream operators do with the reference number

Once a first downstream operator or trader receives a DDS reference number from their upstream supplier, their obligations are:

- Collect and record the reference number, linked to the relevant incoming product flow.
- Keep it for at least 5 years from the date of placing on the market, making it available on the market, or export.
- Make it available to Competent Authorities on request. No requirement to store it in a specific system. Being able to retrieve it promptly is sufficient.
- Non-SME downstream operators and traders must also register in TRACES. If a substantiated concern arises, they must stop placing the product on the market, verify compliance using the reference number in TRACES, and only resume once the concern is resolved.

Downstream operators do NOT need to pass the reference number to their own clients
Once received, the downstream operator keeps the reference number for their own records. They are not required to pass it to the companies they sell to.

Downstream operators are also not required to link the reference number to outgoing product flows - only to incoming ones.

Source: Art. 5(2), 5(3), 5(4), 5(6) EUDR | FAQ 3.4, 3.5, 3.6, 3.8

5.4 How to handle a supplier who does not provide a reference number

The most common practical question for buyers and retailers: what to do when your supplier does not send a DDS reference number.

Situation	What to do
You have no reason to believe your supplier is an upstream operator	You may presume in good faith that they are not. No action required beyond your normal record-keeping.
Your supplier has confirmed or implied they are an upstream operator, but provides no reference number	You must not place or make available the product on the EU market until you receive the reference number or confirm the product is not in scope.
You receive the reference number after delivery	The regulation requires you to have the reference number before you place or make available the product on the market – not necessarily before physical delivery. What matters is that you do not sell on or make the product available until the reference number has been received and recorded.
Your supplier is a small company and does not know whether they are an upstream operator	You may rely on good faith. However, if available information indicates upstream operator status, you cannot disregard that.

Source: Art. 5(1) EUDR | FAQ 3.5, 3.6

6. DDS and export

The customs obligation at export is one of the most frequently misunderstood aspects of the EUDR. The key rule is simple: what you provide to customs depends entirely on whether you are an upstream operator or a downstream operator at the point of export.

6.1 The two-track rule at export

Role at export	What you provide to customs
Upstream operator at export	You must submit a DDS and provide the resulting reference number to customs before the export declaration is lodged. This applies to any product that has never previously been placed on the EU market by another operator.
Downstream operator at export	You do NOT provide a DDS reference number to customs. You do not submit a new DDS. Instead, you use a dedicated TARIC certificate code in your customs declaration. This code signals to customs that the product is already covered by an upstream DDS.

Source: Art. 26(4) EUDR | FAQ 3.1.1, 5.6.1

6.2 How to determine your role at export

The single determining question is: is the product you are exporting covered by a DDS created by an upstream operator?

- If yes: you are a downstream operator at export. Use the TARIC certificate code.
- If no: you are an upstream operator at export. Submit a DDS; provide the reference number to customs.

Two factors that do NOT change this analysis:

- A change of HS code during transformation. What matters is whether the input commodity was already covered by an upstream DDS and not what the product looks like at the point of export.
- Company size. Being large or small does not change the upstream/downstream determination.

The most common error

Companies that buy products from EU suppliers, transform them (sometimes into a new HS code), and then export often assume they must submit a new DDS as the exporter. They do not.

If their input was already placed on the EU market and covered by an upstream DDS, they are downstream operators at export. The TARIC certificate code applies, not a new DDS.

Source: Art. 26(4) EUDR | FAQ 3.1, 3.1.1, 5.6.1