

EUDR Compliance Guide

What it is, what changed, what you
need to do – and how Qarma can help

*Based on EUDR FAQ 5th Iteration,
Guidance Document (3rd ed., 2026)
and Supply Chain Infographics 4th
Edition | May 2026*

Qarma

What is the EUDR?

The EU Deforestation Regulation (EUDR) requires companies to prove that key products did not come from land that was deforested or degraded after 31 December 2020. It applies equally to products made inside and outside the EU.

It covers seven commodity groups:

- **Wood and timber products**, such as furniture, paper, flooring, packaging
- **Soy**, such as animal feed, vegetable oil
- **Palm oil**, such as food, cosmetics, biofuel
- **Coffee and cocoa**, including chocolate
- **Rubber**, such as tyres, gloves, hoses
- **Cattle**

From the application deadline onwards, you cannot sell EUDR scoped products in the EU unless you can show where they came from and that no deforestation or forest degradation took place to produce them. They must also be legally produced.

What changed, and when

December 2025

The Commission published amending regulation EU 2024/3234, which formalised two significant changes:

- **Deadlines extended** to 30 December 2026 for large and medium companies, and 30 June 2027 for micro and small companies.
- **New actor categories introduced.** The rules now formally distinguish between upstream operators (importers and first-time EU sellers), downstream operators (manufacturers using products already on the EU market), and traders (distributors and resellers). Each has a different set of obligations.

A simplified route was also introduced for small primary producers in low-risk countries: the MSPO regime. If you grow or harvest the product yourself, are a small business, and are in a low-risk country, you may qualify for lighter obligations.

April 2026

The Commission published two major documents alongside a 4th edition of the supply chain infographics, a delegated act on scoped products and a review of simplifications report:

FAQ, 5th iteration

121 updated or new entries. The most detailed practical guidance the Commission has published. Covers downstream operator obligations, the MSPO regime, e-commerce, and more.

Guidance Document, 3rd edition

Commission's formal guidance updated for 2026. Covers due diligence, legality, product scope, certifications, composite products, and agricultural use.

The key messages from both documents:

- **Deadlines confirmed.** 30 December 2026 and 30 June 2027. Not moving.
- **Core rules unchanged.** This was a clarification exercise, not a policy shift.
- **Downstream operators have real obligations.**
- **E-commerce is explicitly in scope.** Online sales to EU customers (B2B and B2C) are fully covered.

Deadlines

30 December 2026

- Large and medium companies
- Over 250 staff or over €50m turnover
- Also including products already in scope for EUTR

30 June 2027

- Micro and small companies
- Under 50 staff and under €12m annual turnover

Do I need to act, and what is my role?

Start by checking two things: are your products in scope, and what is your role? Your role and size determines your obligations.

Are my products in scope?

Check whether your products appear in Annex I of the EUDR using their HS code. If they are not listed, you have no EUDR obligations, even if they contain small amounts of relevant commodities. For the furniture sector, the most common in-scope products are wood-based articles for the home.

What is my role?

Upstream operator	You import a product into the EU, or produce it in the EU and sell it for the first time. Full due diligence, geolocation, risk assessment, and a DDS before each sale.
Downstream op. / known as 'Trader'	You work with products already on the EU market, either transforming them or reselling as-is. Lighter obligations: record-keeping, notification, and for large companies, registration and verification.
Small primary producer (MSPO)	You grow or harvest products yourself, are a micro/small business in a low-risk country. Simplified one-off declaration and postal address instead of plot coordinates.

For downstream operators, what changes obligations is company size (SME or non-SME), not whether you process or resell.

Obligations at a glance

Obligation	Upstream operator	Downstream op. / Trader (non-SME)	Downstream op. / Trader (SME)
Due diligence system	Yes	No	No
Submit DDS or SD	Yes	No	No
Geolocation of plots	Yes	No	No
Keep supplier/client info (5 years)	Yes	Yes	Yes
Record DDS reference number (if first in chain)	N/A	Yes	Yes
Notify on substantiated concerns	Yes	Yes	Yes
Verify upstream DDS on substantiated concern	N/A	Yes	No
Register in Information System (TRACES)	Yes	Yes	No
Annual report	Non-SME only	No	No

Source: Art. 4, 5, 12 EUDR | FAQ 3.4, 5.1, 5.14, 5.17

If you are an upstream operator

1. Due diligence system

Establish and maintain a system covering three steps: collect information, assess risk, mitigate risk. Review it at least once a year. If sourcing entirely from low-risk countries, you must still collect required information and assess supply chain complexity.

Source: Art. 8–12 EUDR | FAQ 5.1

2. Information to collect per product

- HS code, common name and scientific name of species (mandatory for wood)
- Quantity in kg net mass
- Country of production
- Geographic coordinates of every plot of land (minimum 6 decimal digits, GeoJSON format for uploads)
- Date or time range of harvest
- Direct supplier and direct client contact details
- Evidence of compliance with relevant legislation of the country of production

If you cannot collect all of this information, you must not place the product on the EU market or export it.

Source: Art. 9 EUDR | Annex II, III | FAQ 1.27, 7.27

3. Risk assessment

Assess the risk that the product does not comply with Art. 3 EUDR. Consider: country benchmarking classification, forest cover in the production area, supply chain complexity, risk of mixing with non-compliant products, and any substantiated concerns. Document your work. Certification schemes can support but do not automatically satisfy this obligation.

Source: Art. 10 EUDR | Guidance Document Ch. 4(a), Ch. 10 | FAQ 5.7

4. Risk mitigation

If more than negligible risk is found, take proportionate measures before placing the product on the market. Only once risk is reduced to negligible may you proceed. If you cannot reduce the risk to negligible, the product must not be placed on the market.

Source: Art. 11 EUDR

5. Submit a DDS or simplified declaration

Submit before placing on the EU market or exporting. The DDS reference number must be included in the customs declaration; customs clearance is not possible without it (Art. 26(4) EUDR). A single DDS can cover multiple shipments but must not span more than one year. Register in TRACES first. Importers and exporters need a valid EORI number.

Source: Art. 4(1), 4(2), 6, 26 EUDR | FAQ 5.17, 5.19, 5.20, 7.3

6. Pass the DDS reference number to your client

If your direct client is a downstream operator, proactively pass them the DDS reference number or simplified declaration identifier.

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

7. Keep all records for 5 years

Retain the full set of information gathered for due diligence, not just supplier/client contact details, but all documentation, risk assessments, mitigation measures, and the DDS itself.

Source: Art. 9 EUDR | FAQ 5.8

8. Notify if a compliance issue arises

If you become aware that a product you have placed on the market may not comply, immediately stop placing it, notify Competent Authorities in all relevant Member States, and notify all downstream customers you have supplied.

Source: Art. 4(4), 4(5) EUDR

9. Annual report: non-SME upstream operators only

Publish an annual report on EUDR compliance activities. First report covers 2027, due after 30 December 2027. Equivalent reporting under CSDDD or CSRD satisfies this requirement if all required elements are covered.

Source: Art. 12(3) EUDR | FAQ 5.14

MSPO, small primary producers in low-risk countries: You qualify for simplified obligations if you are a natural person or micro/small undertaking, established in a low-risk country, produce the products yourself, and directly place only self-produced products on the EU market. Submit a single simplified declaration (SD) instead of a DDS per shipment, and use your postal address instead of plot-level geolocation. Source: Art. 2(15a), 4a EUDR | FAQ 3.21, 3.27, 3.28

If you are a downstream operator

Obligations that apply to ALL downstream operators and traders, regardless of size:

1. Keep supplier and client information

Collect and retain for at least 5 years the name, address, email and web address of every direct supplier and every direct client you supply with a relevant product. No specific system is required; you need to be able to retrieve it promptly on request.

Source: Art. 5(3), 5(4) EUDR | FAQ 3.4

2. Record the DDS reference number: first in chain only

If your direct supplier is an upstream operator, they must pass you their DDS reference number. Record it and link it to the incoming product. You do not need to proactively ask whether your supplier is an upstream operator. If you receive no reference number, you may assume in good faith that they are not one, unless you have specific information indicating otherwise.

Source: Art. 4(7), 5(3)(a) EUDR | FAQ 3.5

3. Notify on substantiated concerns

If you become aware of any information suggesting a product you have placed on the market may not comply (including a substantiated concern), you must immediately notify the Competent Authority and any downstream clients you have supplied. Awareness is broadly defined: emails, press reports, NGO communications, and information from other businesses all count.

Source: Art. 5(5) EUDR | FAQ 3.6.2, 4.15

Additional obligations for non-SME downstream operators and traders only. SME downstream operators and traders are fully exempt from both obligations below.

4. Register in TRACES: non-SME only

Non-SME downstream operators must register in TRACES before the application date. Registration gives you read access to DDS data submitted by upstream operators; you need this to carry out your verification obligation if a substantiated concern arises. You do not submit anything through the system. SME downstream operators and traders do not need to register.

Source: Art. 5(2) EUDR | FAQ 3.6, 5.17

5. Verify upstream due diligence on a substantiated concern: non-SME only

When a substantiated concern arises, stop placing the product on the market and verify that due diligence was exercised upstream. Methods: check DDS reference number validity in TRACES; review the upstream operator's published annual report; consult third-party audit results; request additional information voluntarily; or pass supply chain information to the Competent Authority. You may resume once verification or a Competent Authority conclusion confirms compliance. This is a reactive obligation only, not a requirement to systematically monitor upstream compliance in the absence of a concern.

Source: Art. 5(6) EUDR | FAQ 3.6.2

How to get started

EUDR implementation is an operational project, not a compliance checkbox. Based on real experience implementing EUDR with furniture and home companies, we can say that the process runs through five phases. Supplier engagement (Phase 3) is consistently the hardest part: getting geolocation data from suppliers takes much longer than companies expect. Start the supplier conversation as early as possible.

The phases overlap, so for most companies the process will take around 20 weeks in total.

Phase	What happens	Typical duration
1	Initial rollout: map in-scope products, determine your role, assign ownership across teams.	~4 weeks
2	Design and planning: design your data collection process, define what information you need from suppliers, decide on your IT approach.	~5–7 weeks
3	Supplier engagement: communicate requirements to suppliers, collect geolocation data and documentation. The most time-consuming phase.	~12 weeks
4	Review and approval: validate supplier submissions, verify documents, and approve data before submission.	~5 weeks
5	DDS submission: submit Due Diligence Statements to TRACES. Maintain audit trails for ongoing compliance.	~5 weeks

How Qarma helps

Qarma's EUDR solution is an extension to our Product Compliance platform, built for the furniture and home sector. Developed with consultation from Preferred by Nature as our knowledge partner and Satelligence as our geospatial analysis partner.

Phase	What Qarma does	How it helps
1-2	Structure your products and data	Qarma introduces a material-level due diligence system. A chair with two oak components from different countries gets two distinct material supply chains, because compliance depends on where each material came from. Documentation requirements are pre-configured based on Preferred by Nature's country risk profiles, so you have suggestions to what to collect from each origin.
3	Suppliers upload directly: no email chains	Suppliers receive tasks and can upload documents and fill in data directly into Qarma. You get real-time visibility into who has responded and what is missing. This is the biggest operational bottleneck in EUDR implementation, and the platform is built to manage it.
4	Review and approve in one place	All submitted data sits alongside your product and supplier records. Your team reviews, flags issues, and approves submissions with a full audit trail, no switching between systems or chasing attachments.
5	DDS submitted automatically via API	Qarma integrates directly with TRACES and so you can automatically submit your Due Diligence Statements. Reference numbers and verification numbers come back into the platform and can be shared downstream or exported to your ERP, PLM or PIM system or similar.
Beyond EUDR	Compliance work that carries forward	The supplier relationships, data flows, and processes you build for EUDR are not siloed. Qarma's approach makes this work reusable, so when the next compliance requirement arrives, you are not starting from scratch.

Want to see how it works? Visit qarmainspect.com/eudr

Key terms

Term	Definition
Deforestation-free	Commodities produced on land not subject to deforestation after 31 December 2020.
DDS (Due Diligence Statement)	Declaration submitted via TRACES before placing on the market or exporting. Required for all upstream operators.
SD (Simplified Declaration)	Submitted once by MSPOs instead of a DDS.
MSPO	Micro or Small Primary Operator. A natural person or micro/small undertaking in a low-risk country, producing and directly placing own products on the EU market. Qualifies for simplified obligations.
SME	Small or medium-sized enterprise: micro (under 10 staff), small (under 50 staff) or medium (under 250 staff). Size assessed per legal entity, not per group.
Negligible risk	The level of risk required before a product may be placed on the market: no cause for concern after full due diligence.
Substantiated concern	A duly reasoned claim based on objective and verifiable information indicating non-compliance.
TRACES / Information System	The EU platform for submitting and accessing DDS and SD. Operational since December 2024. Registration required for upstream operators and non-SME downstream operators/traders.

Penalties: Minimum 4% of total annual EU-wide turnover for legal persons. Penalties apply to all actors (upstream operators, downstream operators, and traders) for breach of their respective obligations. Source: Art. 24, 25 EUDR | FAQ 10.2