

## EUDR Simplification Review Report: Key Points for Japanese Companies

EU-Japan Centre for Industrial Cooperation – Invest in EU Hub

### Main Points

#### • Substantial reduction in EUDR compliance costs

The EUDR simplification review report states that the simplification measures introduced since 2024 are expected to reduce annual compliance costs for companies subject to EUDR obligations **by around 75%**.

#### • Simplified due diligence for sourcing from low-risk countries

The report clarifies that operators sourcing from low-risk countries, including Japan, must still exercise due diligence, fulfil information requirements and establish a due diligence system, **but are not required to carry out further risk assessment or risk mitigation where certain conditions are met.**

#### • Practical clarifications for companies preparing for EUDR implementation

The report also clarifies downstream operators' obligations, the one-off simplified declaration for micro and small primary operators, refinements to the product scope, updates to the Information System, and repositories of relevant legislation and certification schemes.

### Introduction

In May 2023, the EU adopted the [EU Deforestation Regulation \(EUDR\)](#) with the aim of reducing the EU's contribution to global deforestation and forest degradation. The EUDR **covers cattle, wood, cocoa, soy, palm oil, coffee, rubber and some of their derived products**, and seeks to ensure that relevant products placed on the EU market do not contribute to deforestation or forest degradation, both within the EU and globally. The Regulation entered into force in June 2023 and was revised twice, [at the end of 2024](#) and again [at the end of 2025](#), introducing targeted simplifications and an extended period for its application.

Against this background, on 4 May 2026, the European Commission published [a simplification review report on the EUDR](#), with a view to ensuring the effective **application of the Regulation as of the end of 2026**<sup>1</sup>.

### Contents of the Report

The report provides an overview of the simplification measures introduced since the entry into force of the EUDR and assesses their impact on administrative burden and on the overall functioning of the Regulation. It also presents additional facilitation measures, including updates to the Guidance and Frequently Asked Questions, refinements to the product scope, further developments of the Information System, and the planned establishment of repositories of relevant legislation of producing countries and certification schemes.

#### ◆ Japan's Classification as a "Low-Risk" Country and Simplified Due Diligence

In May 2025, [the Commission adopted the implementing act establishing a list of countries classified according to their deforestation risk](#). Under the EUDR benchmarking system, countries are classified as **high risk**,

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<sup>1</sup> The application date of the EUDR is 30 December 2026 for large and medium-sized operators, and 30 June 2027 for micro and small operators. However, micro and small operators already subject to the EU Timber Regulation (EUTR) will be subject to the EUDR from 30 December 2026.



**standard risk** or **low risk** according to the level of risk of producing commodities covered by the scope of the EUDR that are not deforestation-free. The applicable due diligence requirements differ depending on this classification. **Japan is classified as a low-risk country under the EUDR.** Therefore, when relevant commodities and products from Japan are placed on the EU market, the rules on simplified due diligence for sourcing from low-risk countries are particularly relevant.

The report clarifies simplified due diligence obligations for operators sourcing from low-risk countries. Operators must still exercise due diligence, fulfil information requirements and establish a due diligence system. However, where they have assessed the supply chain complexity and the risk of circumvention or mixing, and ascertained that the relevant products were produced exclusively in low-risk countries, **they are not required to carry out risk assessment or adopt risk mitigation measures**, unless information indicates a risk of non-compliance.

The report also clarifies legality verification. Operators can decide, based on a first examination of available information such as public reports, indicators and country or regional classifications, whether in-depth information collection is needed. **If the risk of non-compliance is negligible, in-depth data collection should not be required.**

#### ◆ **Obligations of Downstream Operators and Identification of Companies' Roles**

The simplification review provides clarifications regarding downstream operators' obligations. Under the revised EUDR, downstream actors must collect and keep information about their direct business partners, mainly the name, postal address and email address, which is typically included in standard commercial data such as invoices.

Only when the direct supplier is an upstream operator must the required information also include the due diligence statement reference numbers or declaration identifiers. **This obligation is passive: downstream actors do not need to investigate or proactively ask their suppliers for them.**

This clarification is relevant for Japanese companies importing, processing or selling relevant products within the EU, as well as for EU subsidiaries of Japanese companies, in identifying their role in the supply chain.

#### ◆ **Simplification Measures for Micro or Small Primary Operators**

Micro or small primary operators are subject to a very simplified regime. Instead of submitting a due diligence statement to the [EUDR Information System](#), they are only required to submit **a one-off simplified declaration**. They may also use a postal address, cadastral information, or an equivalent allowing the identification of the plot of land or establishment instead of geolocation, where applicable.

In addition, authorised representatives, such as associations, cooperatives or producer groups, may submit data on behalf of micro or small primary operators. For small farmers, foresters and related organisations in Japan supplying EUDR-relevant products to the EU, these simplification measures may help reduce the practical burden of compliance.

#### ◆ **Refinements to the Product Scope and Tools to Support EUDR Compliance**

Regarding the product scope, refinements are proposed to ensure that the EUDR focuses on products associated with deforestation risks, while avoiding unnecessary administrative burden. Horizontal exemptions

are proposed for **samples, products used for examination, analysis and testing, packing materials, waste, used and second-hand products and items of correspondence**, while selected downstream products, such as **soluble coffee, certain palm oil derivatives including soap made with palm oil, and frozen cattle tongues**, are proposed for inclusion.

In addition, as a particularly noteworthy change, **hides, skins and leather** derived from cattle are proposed to be deleted from [Annex I](#). The European Commission explains that, due to differences in the trade structure of the leather sector compared with the meat sector, economic operators have limited leverage to obtain the information necessary for EUDR compliance. It also notes that keeping these products within the scope of the Regulation may result in the relocation, rather than the elimination, of deforestation risk. For Japanese companies, this means that it will be important to reassess whether their products or exports fall within the scope of the EUDR.

The report also outlines further developments of the Information System, including simplified declarations, registration of new roles, updates to webservice specifications including Application Programming Interface (API), and voluntary grouping features. **The Commission also plans to establish repositories of relevant legislation of the country of production and certification schemes applicable to EUDR-relevant commodities**, in order to facilitate access to information needed for the due diligence process and help prove compliance with the legality requirement.

### Economic Effects and Next Steps

According to the report, taken together, the simplification measures are expected to reduce annual compliance costs for companies subject to EUDR obligations **by around 75%** compared to the initial compliance costs. The EUDR is also expected to generate economic benefits of **around EUR 7 billion per year** by monetising avoided deforestation and avoided greenhouse gas emissions.

The cost reductions are particularly relevant for micro and small primary producers, companies sourcing from low-risk countries, and actors in downstream supply chains. **Since Japan is classified as a low-risk country, the simplification measures may also help reduce the practical burden for companies supplying relevant Japanese commodities and products to the EU market.** Going forward, [the draft Delegated Act, including refinements to the product's scope](#), is expected to be formally adopted after the public feedback process, unless the Council and the European Parliament object.

### For more information

- [Commission publishes simplification review of EU Deforestation Regulation](#)
- [Report to the European Parliament and Council](#)
- [Updated guidance document](#)
- [Frequently Asked Questions](#)
- [Draft delegated act on the product scope of the EUDR](#)
- [Commission website on EU Deforestation Regulation implementation](#)
- [EUDR supply chain infographics mapping the roles and responsibilities of operators](#)

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