

The Association of Automotive Suppliers (CLEPA), the German Association of the Automotive Industry (VDA), and The European Automobile Manufacturers' Association (ACEA) call for an urgent "stop-the-clock" to postpone the application of the EU Deforestation Regulation (EUDR) by one year.

Although we welcome the intention of the European Commission to simplify the current EUDR, the current proposal with its complex amendments falls short of achieving a significant simplification and is now causing timing issues and with that a lack of legal certainty, raising significant concerns for automotive OEMs and suppliers.

Although a 6-month grace period is included as part of the Commission proposal, it applies only to the enforcement of specific articles rather than to the overall compliance obligation. Moreover, its implementation is not guaranteed, as it depends on the proposal being adopted before the end of the year. As a result, companies need to prepare for two different scenarios simultaneously: the original EUDR legislation, as well as the version of the current proposal. This is practically impossible, especially in global and complex value chains, such as the automotive one.

Additionally, the content aspects of the current proposal require thorough analysis and further clarifications and guidance as well as practical implementation in company processes. Several issues have already been identified, including key aspects such as the grace period that require legal clarification.

On top of that, we urge for further steps to be taken to ensure a significant reduction of burdens and costs by, for example, introducing a "de minimis" threshold, ensure exemptions for prototypes and testing materials and consistently limit traders' obligations to the first import into the EU and the first placing on the market of EU goods.

Whereas the proposed changes might be a simplification for the Information System for the Commission, they come with additional burdens for companies, only weeks prior to entry into force of the EUDR. For example, one of the proposals would require companies to generate thousands of identifiers per order instead of using a single TRACES reference number, which contradicts the Commission's stated goal of simplifying current obligations.

A one-year postponement would give companies the necessary time to implement the regulation effectively, based on a complete and workable version of the EUDR. This is essential to ensure that compliance is realistically achievable and that the regulation's objectives can be met in practice.