

# Call for practical simplifications for Europe's mechanical engineering industry on the European Commission's report pursuant to Article 34(1a) of amending Regulation (EU) 2025/2650

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The European mechanical engineering industry unequivocally supports the primary objectives of Regulation (EU) 2023/1115 to minimise the European Union's contribution to deforestation and forest degradation worldwide and thereby reduce greenhouse gas emissions and global biodiversity loss. We expressly commit to our responsibility to ensure that the raw materials used in our global supply chains are deforestation-free and produced in accordance with the relevant legislation of the country of production.

As leading providers of sustainable technologies, we see ourselves as part of the solution to addressing these global environmental crises. However, the current operational design of the EUDR presents our sector – characterized by highly complex products and a multitude of small technical parts – with disproportionate bureaucratic hurdles. These jeopardize the competitiveness of Europe as an industrial location without effectively addressing the actual risks of deforestation.

Regarding the Commission's report on the simplification of the Regulation required by 30 April 2026 pursuant to Article 34(1a) of the Amending Regulation (EU) 2025/2650, we submit the following demands to establish legal certainty and reduce the administrative burden to a feasible level.

#### **Introduction of de minimis thresholds (de minimis rule)**

The introduction of threshold values (de minimis thresholds) can prevent disproportionate effort. Therefore, we demand an exemption from the EUDR due diligence obligation for the raw material rubber and corresponding products for:

- **Small Consignments:** Exemption for one-off deliveries or spare parts below a certain value (Proposal: 500 Euros).
- **Products of Low Value:** Exceptions for products with low economic value.
- **Minimal components in the product:** Exemption for products that contain only tiny amounts of a relevant raw material (e.g., small rubber seals/O-rings in machines or recycled cardboard with a minimal virgin fiber content).

#### **Legally Binding Anchoring of the Exemption for Test Materials (per FAQ 2.14)**

We expressly welcome the Commission's clarification in the FAQs that products imported for examination, analysis, or trial purposes and consumed or destroyed in the process are not considered "placed on the market" and are thus not subject to the EUDR. However, to create the necessary planning security for the industry, we demand that this previously non-binding interpretation be made legally binding. Since FAQs have no legal binding effect for national authorities and customs offices, the risk of differing interpretations in the Member States remains. We call on the Commission to regulate this exception in a legally binding manner so that imports for pure test purposes ("Destructive Testing") remain uniformly and legally securely exempt from the due diligence obligations in free circulation nationwide.

An extension of the information system to include a suitable module could give operators who import (place on the market) relevant commodities the possibility of labeling these goods with the purpose code "Non-commercial test / Sample / R&D charge." For these, the due diligence obligation would be waived if the total quantity of the relevant raw material does not exceed a certain threshold and the operator confirms in the system that the material is used exclusively for test purposes and that the end product or the material itself is properly destroyed or otherwise withdrawn from circulation after the test run.

### **Procedural Simplification for Returned Goods (Re-imports)**

We demand a legally binding clarification for the customs treatment of returned goods. Goods that have already been lawfully placed on the market in the EU, subsequently exported, and later re-introduced into the Union (e.g., as a return, complaint, repair case, or after use at a trade fair) (re-import) must not be subject to renewed due diligence obligations.

It must be ensured that customs authorities are instructed not to require a new Due Diligence Statement (DDS) for goods declared as returned goods for customs purposes. Proof of the original EU status (e.g., through the previous export certificate or proof of origin INF 3) must be sufficient to demonstrate EUDR conformity, as the deforestation risk associated with the product has not changed due to the temporary export.

### **Due diligence obligations and reporting requirements only for EU-imports**

We call for due diligence obligations and reporting requirements in TRACES to be restricted exclusively to the point of import into the European Union. All downstream roles within the Single Market, as well as the role of the domestic EU producer, must be exempted from EUDR reporting obligations.

### **Limitation of Geolocation Requirements to Raw Material Imports**

We call for an adjustment of the information obligations according to Article 9: The obligation to state the exact geolocation (polygons/coordinates) upon import should be restricted to pure raw materials. For the import of semi-finished and finished products (processed products), proof of deforestation-free status must be possible through certificates or system approvals from suppliers, without the geolocation data of the source parcels having to be physically passed through the entire supply chain.

### **Authorization of Collective Referencing for Multiple Sourcing**

We call for a legally secure regulation for the management of stock inventories with multiple sourcing without batch separation (segregation). In industrial practice, identical components (same part number) are sourced from different suppliers (EU and non-EU) and stored together (bulk goods, C-parts). A physical allocation of a single part taken from stock to a specific supplier is technically impossible. It must be permissible to state all reference numbers of the

suppliers (pooling) who supplied goods to the warehouse during the relevant observation period for a manufactured product, if it is ensured that all inflows are EUDR-compliant.

### **Legally Binding Entrenchment of the Validity Period and Aggregation of Due Diligence Statements**

We demand that the possibility of issuing an aggregated Due Diligence Statement (collective DDS) for operational processes, especially serial spare parts, standardized mass-produced goods, and recurring deliveries of identical products, be regulated in a legally binding manner. This includes clear rules on the duration of validity of a Due Diligence Statement and the conditions for aggregating multiple deliveries.

The current administrative practice, which only permits such bundling based on non-binding FAQs of the EU Commission (Question 5.19), does not provide sufficient legal certainty towards national control authorities and courts.

### **Legal Certainty and Process Stability: Precise Product Definitions and Automated Customs Procedures**

The current design of Annex I of the EUDR presents massive challenges to operational practice. Since the definition of relevant commodities is often only based on imprecise 4- or 6-digit customs codes with the addition "ex" (excluding/partially), considerable legal uncertainty arises. Based on this crude information, the IT systems of both customs authorities and companies are often unable to distinguish between goods that are relevant to EUDR and unaffected subgroups within the same customs code. This inevitably leads to "false positives" and unjustified blockages at the external border.

To avert these risks for supply chains, we demand, as a first step, the creation of a legally binding positive list based on the 8-digit Combined Nomenclature (CN). It must be unequivocally regulated which specific subheadings fall under the regulation to close interpretation loopholes and clarify the relationship to the TARIC codes.

Complementing the legal definition, an operational solution for goods clearance is necessary. We demand the implementation of automated release in the EU Single Window for Customs. Goods that formally fall under a relevant high-level position, but are not affected due to their specific nature, must be automatically recognized by the system and released without manual inspection.

The urgency of this system adjustment is exemplified in the rubber sector (e.g., position 4016). Since the customs number currently includes both relevant natural rubber and unaffected synthetic rubber, importers are forced into unnecessary bureaucratic burdens. The Commission must immediately introduce a technical separation here through 10-digit TARIC codes or national supplementary codes. This would enable pure synthetic rubber products to be automatically declared as "not affected" upon import, ensuring efficient customs clearance and eliminating unnecessary trade barriers.

### **Harmonisation of the date of application for all Small and Medium-sized Enterprises (SMEs)**

The current differentiation within the SME group ignores the operational reality of medium-sized enterprises. Like micro and small enterprises, medium-sized enterprises often lack the specialized human and administrative resources required for the complex implementation of the EUDR. Classifying medium-sized enterprises in the same deadline category as large undertakings (30 December 2026) creates an excessive structural burden. To ensure proportionality and competitiveness, a unified date of application for the entire SME sector of 30 June 2027 is imperative.

## **About VDMA**

The VDMA represents over 3,500 mechanical engineering companies in Germany and Europe. The industry stands for innovation, export orientation and medium-sized companies and employs around three million people in Europe, more than 1.2 million of them in Germany alone. This makes the machinery and equipment manufacturers the largest employer among the capital goods industries, both in the EU-27 and in Germany. It accounts for an estimated turnover of 910 billion euros in the European Union.

The basis for the international success of the machinery and equipment manufacturing industry is a strong global network with efficient and innovative suppliers and customers all over the world. Around a third of the machines and systems produced in the EU are sold outside the EU. From the machines sold in the EU domestic market, around 80 per cent comes from an EU production facility. Conversely, this means that a fifth of the machinery sold is imported from a non-EU country. China, the USA, Japan and the United Kingdom are the most important countries of origin here. By cooperating with companies in almost all regions of the world, the European machinery and equipment manufacturing industry makes an important contribution to prosperity and growth. Global value chains are an important factor in the success of the European machinery and equipment manufacturing industry.

Numerous regulations of the Green Deal - especially those that are now to be adapted through the omnibus regulation - affect European mechanical engineering companies particularly strongly due to the medium-sized structure of the industry (60 per cent of VDMA member companies have a turnover of less than 50 million euros per year) and the strong integration into global value chains. The implementation of the regulations is particularly resource-intensive for SMEs and worsens their competitive position on international markets, too.



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