

# EU Forced Labour Regulation



**DG GROW Unit D3** (*Market Surveillance*)

**DG TRADE Unit C4** (*Multilateral Trade and Sustainable  
Development Policy, Green Deal, Conflict Minerals*)

# Overview

- Prohibition to place products on the EU market (market ban)
- Scope: All products made with forced labour irrespective of origin
- Bans can only be imposed on specific products based on the conclusions of a dedicated investigation
- Authority responsible for investigations depends on location of suspected FL
- Covers both types of forced labour (privately and State-imposed forced labour)
- Product legislation (no due diligence obligations)

# Risk-based approach

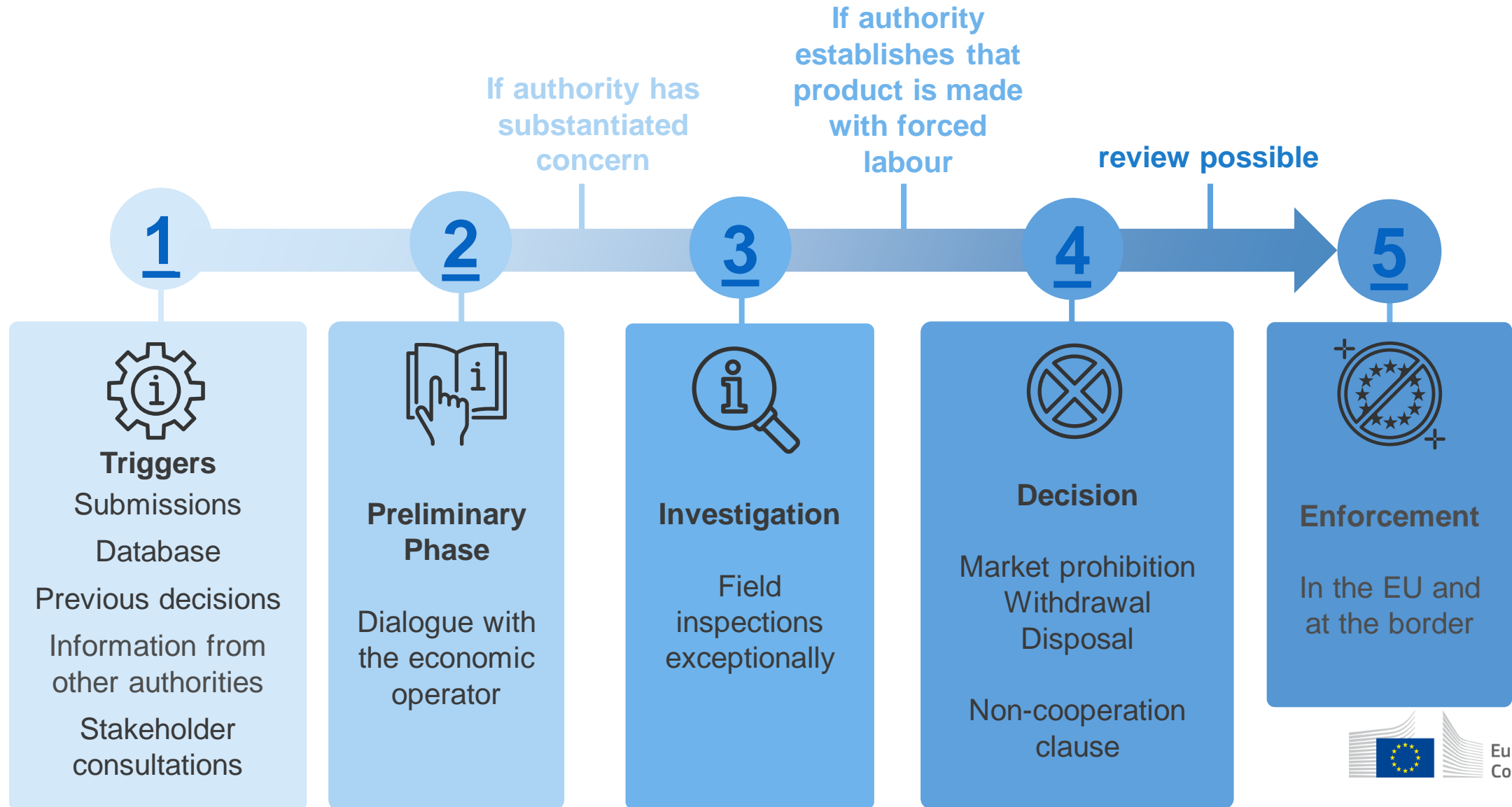
## **Prioritisation of investigations**

- scale and severity of suspected forced labour
- quantity or volume of products placed on the EU market
- proportion of the part made with forced labour in the final product

## **Choice of economic operators investigated**

- closest to forced labour risk
- highest leverage to address forced labour
- largest size and economic resources

# Mechanism



# 1. Triggers

Assessment of the **likelihood of a violation** of the prohibition based on information available, including:

- Information and decisions encoded in the information and communication system (ICSMS), including past cases
- Database of risks
- Risk indicators and other information in the guidelines
- Submissions of information (through single submission point)
- Information received from other authorities relevant for the implementation of the Regulation (e.g. CSDDD authorities)
- Any issues arising from meaningful consultations with relevant stakeholders (e.g. civil society organisations and trade unions)

## 2. Preliminary phase



Before initiating an investigation, **request** from the economic operator and where relevant, product suppliers, **due diligence information or other information** in relation to forced labour with respect to the products under assessment.

- No new due diligence obligation
- Competent authority may request information from other relevant stakeholders.
- Economic operator to **respond** to the request within 30 working days
- After receiving the information from the economic operator, competent authority has 30 working days to **conclude**, based on the information from the economic operator or on any other facts available if there is a substantiated concern

If substantiated concern



CA initiates an investigation



# 3. Investigations

- **Inform the economic operator** about:
  - a) the initiation of the investigation and the possible consequences;
  - b) the products subject to the investigation;
  - c) the reasons for the investigation, where possible;
  - d) the possibility for the economic operators to submit any other document or information, and the deadline for submission.
- Economic operator to submit information requested within deadline set by competent authority (between 30 and 60 working days)
- Competent authority may collect information from other relevant stakeholders.
- Competent authorities may carry out, *in exceptional situations*, **field inspections** including in third countries, provided there is consent from the economic operators concerned and from the government of the Member State or third country.
- Competent authority to **endeavour to conclude** the investigation within 9 months

If evidence, or based on the facts available (in case of non-cooperation)



**CA establish the existence of FL and adopts a decision**

# 4. Decisions



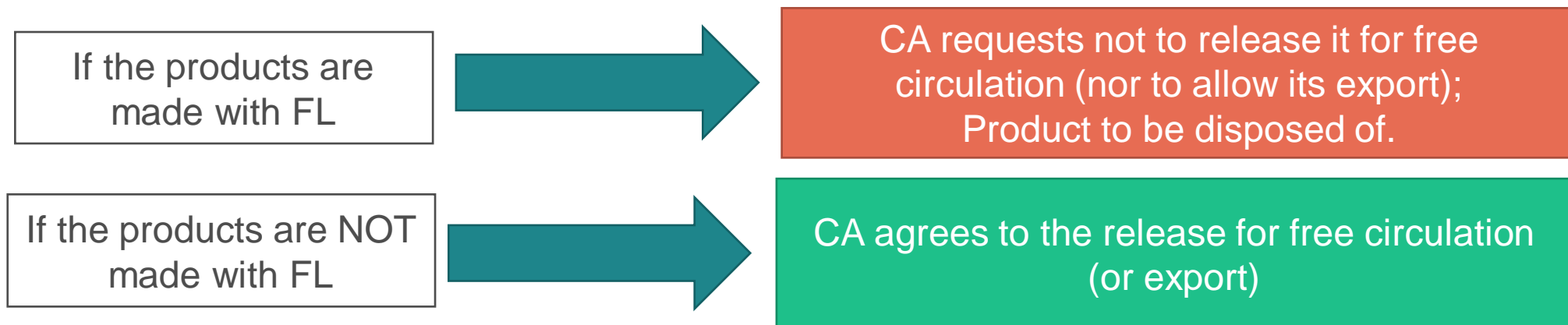
- Content of the decision:
  - **prohibition** to place products concerned on EU market and to export them;
  - order for the economic operators subject to the investigation to **withdraw** the products from EU market or remove the content from an online interface;
  - order for the economic operators subject to the investigation to **dispose of** the products or replaceable parts of the product (i.e. recycle, donate if perishable, render inoperable).
  - Decision should also include the findings and evidence used, time-limits for compliance (no less than 30 working days), and information allowing the identification of the products (e.g. manufacturer, product suppliers, production site where appropriate)
- Derogation from obligation to dispose of the products to prevent disruptions of **supply chains of strategic or critical importance** for the EU
- Economic operators can request a **review** of the decision at any time based on new substantial information





# 5. Enforcement in the EU and at the border

- By Member States' competent authorities within the EU
- By customs authorities at the border, based on the decisions of the Commission or competent authorities
- Information needed both in the decisions and from the economic operators to allow the identification of the product (implementing and delegated acts)
- When customs authorities identify products entering or leaving the EU market that may be covered by a decision, they must suspend the release for free circulation or the export and consult the competent authority of their Member State (maximum 4 working days, 2 working days if perishable, plants or animals)



# Support tools



- EU Forced Labour Product Network
- Information and Communication Systems
- Forced Labour Single Portal
- Single information submission point
- Support measures for SMEs (including national contact points)
- Database of forced labour risks areas / products
- Guidelines for competent authorities and economic operators

# Database

## Content

- Information of forced labour risks in specific:
  - Geographic areas
  - Products or product groups
- Indicative, non-exhaustive
- Prioritise widespread and severe risks, including State-imposed forced labour
- No information on economic operators

## Sources

- Evidence-based, independent, verifiable information
- From:
  - International organisations (ILO, UN)
  - Institutional organisations
  - Research / academic organisations

# Guidelines

## Competent authorities

- Information to facilitate the implementation of the Regulation, including
  - Benchmarks for risk-based assessments in investigations
  - Applicable standards of evidence
  - Identification of forced labour risk indicators

## Economic operators

- Due diligence in relation to forced labour, including
  - DD in relation to State-imposed forced labour
  - Best practices to eliminate and remediate forced labour
  - Possible dedicated guidance for specific sectors and types of suppliers
- Engagement with competent authorities
- Particular focus on SMEs

## Other

- Guidance on customs aspects for customs authorities and economic operators
- Guidance for stakeholders on submission of information
- Guidance for Member States on penalties

# International cooperation

- *“In order to facilitate effective implementation and enforcement of this Regulation, **the Commission shall, as appropriate, cooperate and exchange information** with authorities of third countries, international organisations, civil society representatives, trade unions, business organisations and other relevant stakeholders”*
- Cooperation with **authorities of third countries** :
  - Structured cooperation in the context of existing dialogue structures (e.g. human rights and political dialogues, implementation of TSD chapters/GSP, development cooperation initiatives) or new ad hoc structures if necessary
  - Possible content: Exchanges of information on (1) risk products or areas, (2) best practices to combat forced labour and (3) decisions to ban products (including reasons and evidence)
  - Commission and Member States may consider cooperation initiatives and accompanying measures to support the efforts of stakeholders to tackle forced labour

# Timeline

